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Japan

Miyazawa Hears Report on GATT Draft Accord

OW2712081891 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Dec 91

[From the "Evening Newscast"]

[Text] Officials from the Ministry of Agriculture, Forestry, and Fisheries, including Councilor Jiro Shiaku, called on Prime Minister Kiichi Miyazawa today to make a report on the draft accord presented by GATT Director-General Arthur Dunkel. Councilor Shiaku said that there are questions about the draft agreement because its contents strongly reflect the views of the nations exporting agricultural products.

Touching on the director-general's draft accord in his report, Councilor Shiaku explained: While it is loose concerning the issue of reducing export subsidies, it demands importing nations to abolish import restrictions by accepting tariffication without exception. Thus, various questions remain because it strongly reflects the position taken by exporting nations, including the United States.

When Prime Minister Miyazawa asked about the responses of other nations, Councilor Shiaku said that in the United States, organizations of farmers producing peanuts or other items whose import is restricted are against tariffication, and industrial organizations exporting agricultural products such as soybeans and wheat are concerned with too small reductions in EC export subsidies. Moreover, pointing out that European Community nations regard the draft accord as unacceptable, Councilor Shiaku explained that other nations have expressed their disapproval of the draft accord.

It is reported that in response, Prime Minister Miyazawa merely heard the report but failed to give any specific instructions concerning measures to deal with this matter in the future.

MITI To Ask Auto Industry To Open to U.S.

OW2712114291 Tokyo KYODO in English 1115 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—The Ministry of International Trade and Industry (MITI) will ask the Japanese automobile industry to open its national marketing network to U.S. cars in connection with U.S. President George Bush's Japan visit early next month, MITI officials said Friday.

Under the proposal, distributors of Japanese cars will also handle U.S. cars to promote car imports.

The officials said the United States is likely to ask Japan to announce specific sales or market share targets for the imports but Japan is reluctant to meet such a demand.

The automobile trade issue is expected to be a top item of discussion during a summit between Bush and Japanese Prime Minister Kiichi Miyazawa amid Japan's mounting trade friction with the U.S.

The U.S. has been demanding increased Japanese imports of U.S. cars and car parts.

The officials said the MITI will also ask the Japanese auto industry to increase imports of U.S.-made parts.

But they said a proposed reduction of Japanese car exports to the U.S. will not be taken up at the summit, since no request on export controls has been made by the U.S. in connection with the Bush visit.

They said the question will be dealt with during a Japan-U.S. review of the bilateral agreement on Japan's voluntary restraints on car exports to the U.S. The pact is to expire at the end of March.

Voluntary Restraint on Cars to U.S. Continues

OW2712040391 Tokyo KYODO in English 0314 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Kozo Watanabe, minister of international trade and industry said Friday he will ask Japanese automakers to voluntarily restrain car exports to the United States.

Watanabe told reporters that Japan will continue its voluntary restraint program, limiting car exports to the U.S. to 2.3 million vehicles, in fiscal 1992 starting next April 1.

He said he will ask car manufacturers to reduce the upcoming fiscal year's export volume to a level below 1.8 million cars expected for the current fiscal year.

Government To Ease 'Some' Auto Import Standards

OW2712102391 Tokyo KYODO in English 1011 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Japan will ease some automobile import standards not related to environmental quality to increase U.S. car imports, Transport Ministry officials said Friday.

The United States has been asking Japan to relax the car import screening system in order to boost U.S. car imports.

The officials said the government is considering exempting more imports from required sample tests and harmonizing the hardness standards on aluminum wheels with U.S. standards.

Transport Minister Keiwa Okuda said, however, that Japanese car emission controls will continue to apply to U.S. cars, turning down a U.S. request for Japan to accept U.S. emission test results.

The American Chamber of Commerce in Japan asked the Transport Ministry earlier this year to ease 15 of its existing car import standards.

U.S. Undersecretary of State Robert Zoellick, visiting Japan a week ago as President George Bush's personal emissary before Bush's January visit, asked ministry officials to ease the import screening system.

Nippondenso To Increase Material, Parts Imports

OW2512112591 Tokyo KYODO in English 1057 GMT 25 Dec 91

[Text] Nagoya, Dec. 25 KYODO—Nippondenso Co. announced Wednesday plans to expand the value of its imports of parts and materials and also its overseas procurements by over 20 percent a year by late 1994.

The Aichi Prefecture-based firm is a top producer of electronics and electrical parts.

The plan is in response to a request by the Ministry of International Trade and Industry to automotive-related industries to beef up their imports.

The firm is targeting a two-fold upsurge in imports and overseas procurement from 370 million dollars to about 800 million dollars.

Foreign Minister Plans Meetings in U.S., Russia

OW2712140891 Tokyo KYODO in English 1358 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Foreign Minister Michio Watanabe said Friday he is planning to attend two international meetings abroad next month—one in Washington on January 22-23 on assistance to Russia and the other in Moscow on January 28-29 on peace in the Middle East.

Watanabe, speaking at a joint session of the Liberal Democratic Party's two foreign policy-related panels, asked for the governing party's cooperation in realizing the visits.

Watanabe's attendance was earlier thought to be difficult since the Diet is due to be convened January 24 and the foreign minister is required to deliver a foreign policy speech.

Watanabe told the panel session that he is asking the ruling party to obtain agreement from opposition parties for his overseas trips during the Diet session.

Tokyo Recognizes Russia, Seeks End to Dispute

OW2712040091 Tokyo KYODO in English 0310 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Japan gave its diplomatic recognition to Russia on Friday in the wake of the demise of the Soviet Union, and plans to urge Russia to return four disputed northern islands held by the Soviets after World War II.

Government Spokesman Koichi Kato told a news conference after a cabinet meeting that Japan will soon urge Russia to live up to all treaties and commitments that were struck earlier between Japan and the Soviet Union.

"Japan understands that the Russian Federation will honor the validity of all the treaties and commitments that were reached in the past between Japan and the Soviet Union, as the country with continuity with the Union," Kato quoted Foreign Minister Michio Watanabe as saying.

Prime Minister Kiichi Miyazawa will send a letter to Russian President Boris Yeltsin on Friday seeking Russian confirmation of Japan's understanding and the return of the four northern islands off Hokkaido, he said.

Kato also quoted Watanabe as saying, "the government decided to convey its desire in the letter to achieve a marked improvement of its relations with Russia by resolving the Northern Territorial issue."

In a related development, Watanabe said Miyazawa would request a visit by Yeltsin to Japan in the letter.

The Japanese invitation was extended in response to an earlier expression of Russian hope that it wants to send Yeltsin to Japan next spring.

Japan is considering formal recognition "by the end of the year" of the independence of the other 10 republics that joined the Commonwealth of Independent States, he said.

If the cabinet should fail to decide to recognize these 10 republics at its meeting on Saturday—the last cabinet meeting in 1991—the government will seek to complete its recognition process by soliciting each minister's seal of approval by the year-end, he said.

As for the proposed recognition of Georgia, which is saddled with an internal military confrontation, he said the government will hand down a judgment after appraising further developments in the republic.

The republic is now facing a bloody conflict as anti-government rebels lay siege to the parliament building in an attempt to oust President Zviad Gamsakhurdia.

Since the fighting erupted Sunday, the in-fighting has killed 40 people and injured 268 others.

Russian Envoy Expresses Thanks

OW2712105491 Tokyo KYODO in English 1038 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Russian Ambassador to Japan Lyudvig Chizhov thanked Japan on Friday for its "swift and goodwill decision" to extend diplomatic recognition to Russia as successor to the Soviet Union, Foreign Ministry officials said.

Chizov expressed his appreciation in a meeting with Nagao Hyodo, director general of the Foreign Ministry's European and Oceanic Affairs Department, who formally conveyed the Japanese Government's decision to recognize Russia.

Chizov told Hyodo that his status has been changed to that of Russian ambassador from Soviet envoy.

The two men agreed that Japan and Russia would keep diplomatic relations as earlier maintained by Japan and the Soviet Union, the officials said.

Hyodo told Chizhov that Japan will not object to Russia's taking over a permanent seat on the United Nations Security Council.

Hyodo expressed hope that Russia would make efforts as early as possible to settle a territorial dispute over four islands off Hokkaido seized by the Soviet Union at the end of World War II, officials said.

The Russian ambassador acknowledged that the territorial dispute is one of the most important problems faced by Russia, the officials said.

Firms Ask Government To Insure Russian Deals

OW2412123491 Tokyo KYODO in English 1142 GMT 24 Dec 91

[Text] Tokyo, Dec. 24 KYODO—Four major Japanese steel firms said Tuesday they have asked the government to insure their deals to export seamless pipe to the Russian republic.

The group led by the world's largest steel producer, Nippon Steel Corp., said they were seeking insurance for exports of about 700,000 tons of pipe worth about 500 million dollars.

Negotiations for the deal have been under way with the republic's oil and gas corporation since early November, the companies said.

They said an expert mission is scheduled to leave Tokyo for Russia on Wednesday to complete negotiations by year's end.

The companies said the pipe is to be used for development of new oil wells at the Tyumen oil field in Siberia.

The Russian republic has guaranteed repayments of credit to be provided by Japan, they said.

They said shipments of steel pipe would start next March at the earliest.

Tokyo To Cochair Meeting in Middle East Talks

OW2712040791 Tokyo KYODO in English 0332 GMT 27 Dec 91

[Text] Cairo, Dec. 27 KYODO—Japan will co-chair an economic development meeting with the United States and the European Community (EC) at the January multilateral conference of the Middle East peace talks in Moscow, diplomatic sources in the Middle East said Thursday.

The multilateral conference, expected to open in late January, was conceived as the third stage of the stalemated Middle East peace talks.

The January conference will involve the participation of more than 30 countries including Israel, as well as the three Arab delegations of Syria, Lebanon, and a joint group from Jordan and Palestinians in the occupied territories. Also attending will be Saudi Arabia, the EC, Canada, China, as well as Russia.

The United States has called on Japan and the EC to co-chair because the conference will include small meetings on a variety of issues including financial and technical assistance, the sources said.

They said Japan will join the U.S. and the EC in co-chairing a working-group meeting on economic development, while a meeting on arms control is expected to be chaired jointly by the U.S. and Russia.

Japan and the U.S. are scheduled to hold a pre-conference in early January to prepare for the Moscow meeting, which Foreign Minister Michio Watanabe is expected to attend as the Japanese representative.

The sources also said the EC is proposing to divide the economic development meeting into five sub-meetings to separately discuss individual issues such as the Palestinian refugee problem and environmental issues. One of the five meetings could be held in Tokyo, they said.

In a related development, the Japanese Foreign Ministry will invite Palestinian leaders of the intifadah to Tokyo some time around January 10 to discuss humanitarian aid to people in the occupied territories, according to the Japanese Embassy in Cairo.

SDP Chief To Visit China, Thailand, Cambodia

OW2612183191 Tokyo KYODO in English 1450 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe will make an eight-day official visit to China, Thailand, and Cambodia from January 10 for talks with their leaders, party officials said Thursday.

It will be the first visit to Cambodia and Thailand ever by the incumbent head of Japan's largest opposition party, the officials said.

Tanabe will meet Chinese Communist Party General Secretary Jiang Zemin and Premier Li Peng, Cambodian leader Prince Norodom Sihanouk, and Thai Prime Minister Anand Panyarachun, they said.

Tanabe's Asian trip is aimed at making clear that the party is attaching great importance to the Asian-Pacific region, political sources said.

Meanwhile, former SDP Chairwoman Takako Doi will visit Germany early next month to be a guest at a two-day meeting of former heads of state or government to discuss the global environment, party officials said.

The meeting, called "the OB [Old Boy] summit," will be attended by former Western presidents and prime ministers.

Doi is scheduled to return to Japan on January 15 after visiting France and other European countries, they said.

Negotiations on Imperial Visit to PRC Proceed

OW2712110191 Tokyo KYODO in English 1044 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Japan and China are discussing the prospect of a visit to China by Emperor Akihito and Empress Michiko in autumn 1992, government and diplomatic sources said Friday.

A source at the Chinese Embassy in Tokyo said negotiations on the visit are proceeding, while several Japanese Government sources confirm that an imperial visit to China next year is a distinct possibility.

The visit would commemorate the 20th anniversary of the establishment of diplomatic relations between the two countries.

Bilateral personnel exchanges are high on the agenda of discussion during Foreign Minister Michio Watanabe's visit to China from January 3 to 6.

In April next year, the chairman of China's National People's Congress, Wan Li, is scheduled to visit Japan.

The Governments of Japan and China are also discussing a visit to Japan in May by Chinese Communist Party General Secretary Jiang Zemin.

The emperor and empress are likely to visit China around the 20th anniversary date of September 29. This would likely be followed by a visit to Japan by Chinese President Yang Shangkun.

China's Foreign Minister Qian Qichen issued a formal invitation to the emperor while in Japan in June.

In arranging the imperial visit, the Japanese Government weighed the appropriateness of having the emperor first travel to European countries to reciprocate visits paid to Japan by European heads of state.

It also considered the view that since the emperor visited Southeast Asian countries in September it would be better to make his next visit to a region other than Asia.

But opinion is firming in favor of the Chinese request for a visit because of the importance Japan attaches to its relations with China as part of the Asian region, government sources said.

Bank To Open Branch in China's Fujian Province

OW2712084291 Tokyo KYODO in English 0743 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Dai-Ichi Kangyo Bank will open a representative office in Xiamen in China's Fujian Province, on January 9, bank officials said Friday.

This will be the Japanese bank's first office in the city, which has recently enjoyed rapidly increasing investment from overseas, including Japan, as one of the prominent international trading ports in southeastern China, the officials said.

The office will be the fifth in China for the bank, they said.

China Orders Chemical Plant From Ube Industries

OW2512120191 Tokyo KYODO in English 1029 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Ube Industries Ltd., a major chemical firm, and General Trading House Marubeni Corp. said Wednesday they have jointly received a chemical plant order from China's National Technical Import and Export Corp.

The companies said the 19 billion yen plant to produce ammonia from coal gas will be installed at a chemical fertilizer plant in Shaanxi Province.

The plant will have the capacity to produce about 1,000 tons of ammonia daily, the companies said.

They said a formal agreement on the deal will be signed in January after screening by the government's overseas economic cooperation fund.

It will be the first major chemical fertilizer deal to be covered by Japan's yen credit to China since the military crackdown on pro-democracy demonstrators at Tiananmen Square in Beijing in June 1989, they said.

Construction of the plant is scheduled to begin next spring for completion in four years, the companies said.

Companies Establish Fabrics Venture in China

OW2512084091 Tokyo KYODO in English 0802 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Kanematsu Corp., a major Japanese trading house, said Wednesday it has launched a garment manufacturing venture in China jointly with its fabrics manufacturing affiliate Aoki Co.

The company said the new firm, Nantong Seisho Fashion Garment Co., was incorporated in an economic development zone in the city of Nantong, Jiangsu Province.

The new company will start operating in September next year, exporting its products mainly to Japan, Kanematsu officials said.

The venture, capitalized at 700,000 dollars, is 75 percent owned by Aoki, based in Gifu Prefecture, and 25 percent by Kanematsu.

The initial year sales target has been set at 600 million yen, the officials said.

Fuji Firm To Help China's Minicar Production

OW2612033191 Tokyo KYODO in English 0133 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Fuji Heavy Industries Ltd. said Thursday it has agreed to help China to produce minicars in Guizhou Province starting next spring.

The project is in line with Beijing's policy of improving the domestic auto industry. Fuji, a major Japanese minicar maker, will transfer the technology on minicar production to an existing provincial automaking group of the Ministry of Aeronautics and Astronautics Industry, a Fuji official said.

At first, Fuji will export almost all the parts for production of the cars with 550 cc engine displacement, and help its Chinese partner in factory management and worker training. Parts will be procured locally in later years.

Annual production is projected at 1,000 cars in the first year, which is to be raised to 10,000 within a few years, the official said.

Tokyo To Try To Correct ROK Trade Imbalance

OW2512120091 Tokyo KYODO in English 1141 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Prime Minister Kiichi Miyazawa, who is scheduled to visit South Korea early next year, pledged Wednesday that Japan will try to reduce its trade surplus with South Korea.

Miyazawa made the pledge in a meeting at his official residence with Pak Chong-tae, visiting member of South Korea's National Assembly and adviser to the Korea-Japan Parliamentary League, officials said.

Miyazawa is scheduled to leave for Seoul on January 16 on his first official journey overseas since taking office in early November.

"I hope Japan's trade surplus with the Republic of Korea will decrease. I also hope Korea's competitive power, hurt by rising wages, will improve in a few years," Miyazawa was quoted as telling Pak.

Pak asked Miyazawa for Japan's cooperation to reduce its trade surplus with Korea, currently amounting to about 8 billion dollars, the officials said.

Miyazawa was then briefed on the economic situation in Korea by Saburo Tsukamoto, a senior member of the opposition Democratic Socialist Party and vice chairman of the Japan-Korea Parliamentary League who visited Seoul recently, the officials said.

Report Implicates Army in 'Comfort Girls' Issue

OW2112133691 Tokyo KYODO in English 1306 GMT 21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—The United States has given the South Korean Government a document implicating the wartime Japanese army in forcing Korean women into prostitution, YONHAP NEWS AGENCY reported from Seoul on Saturday.

Earlier this week, the U.S. Embassy in Seoul passed to the Foreign Ministry a report of 1944 interrogations of Japanese prisoners of war that linked Japan's military forces to the practice, the report said.

The issue will be a "major topic" when Japanese Prime Minister Kiichi Miyazawa visits Seoul for talks in mid-January, YONHAP said.

As many as 200,000 women, mostly from then Japanese-occupied Korea, were allegedly forced to provide sex to Japanese soldiers during World War II. This month, three Korean women joined a suit against the Japanese Government, demanding reparations.

Tokyo has rejected the claims, saying that private companies recruited the women to be "comfort girls" and that all questions of reparations have been settled.

But YONHAP quotes the declassified U.S. document as saying a Japanese civilian brothel owner received permission and tickets from the Japanese army to take 22 women on a seven-ship convoy with 709 Korean women and 90 Japanese brothel owners from Pusan in present-day South Korea to Myanmar [Burma].

"The suggestion originated from (Japanese) army headquarters (in Korea) and was passed to a number of similar Japanese 'businessmen' in Korea," says the report compiling interviews with prisoners in India and Burma, according to the South Korean news agency.

South Koreans Missing After Towing Accident

OW2512012191 Tokyo KYODO in English 0059 GMT 25 Dec 91

[Text] Kitakyushu, Fukuoka Pref., Dec. 25 KYODO—Two South Korean fishermen are missing after their fishing boat capsized Tuesday while being towed by a Japanese patrol boat, Maritime Safety Agency officials said Wednesday.

Patrol boats and aircraft are searching for Lee Chae Uk, 37, and another crew member aboard the 13-ton trawler, in waters some 7.4 kilometers west-northwest of Tsushima Island, Nagasaki Prefecture, the officials said.

They said the accident occurred around 6:15 P.M. Tuesday when the vessel was being towed by a patrol boat which was to hand over the two fishermen and their ship to South Korean authorities halfway to the South Korean port of Pusan.

The fishing boat with the two and a skipper aboard was captured by the agency on December 14 when they were allegedly fishing within Japan's exclusive fishing zone.

The skipper is being detained in Japan to be tried on a charge of illegal fishing, officials said.

Miyazawa, Malaysian Prime Minister Discuss Loans

BK2412080991 Kuala Lumpur BERNAMA in English 0733 GMT 24 Dec 91

[Text] Tokyo, Dec 24 (OANA-BERNAMA)—Malaysia Tuesday suggested that Japan review its current condition for the granting of soft loans to developing countries in view of the present situation in the money market. Malaysian Prime Minister Dr. Mahathir Mohamed made the suggestion when he met his Japanese counterpart Kiichi Miyazawa here Tuesday.

Dr. Mahathir, who is now on a working visit to Japan, said Malaysia felt that the review was necessary in the wake of the weakening of the U.S. dollar against the Japanese yen.

He told Malaysian newsmen that the present condition, which limits the per capita income qualifying ceiling for such loans at U.S. $2,300, was fixed a very long time ago when the U.S. dollar was very strong. Now that the U.S. dollar has declined, we feel that this condition should be reviewed, he said.

During the meeting, the two leaders also exchanged views on the current political developments in the region and in the world. The prime minister briefed his Japanese counterpart on the development in Southeast Asia and the emerging trend towards democracy in the Korean peninsula.

On development in the Soviet Union, Dr. Mahathir said he expressed concern over the foreign intervention in the internal affairs of the republics. He said there should be an international supervision in respect of any demarcation of boundaries affecting the Soviet republics.

Dr. Mahathir, who is scheduled to leave for Seoul on Dec 26 for a similar visit, will also meet Japanese industrialists, businessmen, and corporate leaders while here. He said he will exchange views with them on how they could play a bigger role in the development of Malaysian economy.

ODA To 'Eventually' Stop

OW2612072591 Tokyo KYODO in English 0416 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Malaysian Prime Minister Mahathir Mohamed left Tokyo for Seoul on Thursday at the end of an eight-day unofficial visit to Japan.

During his stay, Mahathir had separate talks with Prime Minister Kiichi Miyazawa and Foreign Minister Michio Watanabe on conditions in Asia and other topics.

At the Tuesday meeting with Mahathir, Miyazawa told Mahathir Japan will eventually stop providing official development assistance (ODA) to the steadily growing Malaysian economy.

20,000 Foreigners Refused Entry at Narita in 1991

OW2112103691 Tokyo KYODO in English 0950 GMT 21 Dec 91

[Text] Narita, Chiba Pref., Dec. 21 KYODO—More than 20,000 foreigners were refused entry at Narita Airport this year, double the number turned back in 1990, immigration officials said Saturday.

Officials at the Tokyo Immigration Bureau's Narita branch said they denied admission to a record 20,099 foreigners through December 19. For all of 1990, the number was 9,669 people, the previous record.

Iranians topped the list of foreigners refused at Japan's main international gateway, followed by Thais and Malaysians, officials said. People from those three countries account for 80 percent of total, they said.

Under the Immigration Control and Refugee Recognition Law, airlines carrying foreigners who are refused entry must send them back and provide lodging if necessary.

Japan Airlines said it spent about 47 million yen by the end of November to send back 2,869 such foreigners.

Itoman Defendant Admits Bribing News Media

OW2612073891 Tokyo KYODO in English 0633 GMT 26 Dec 91

[Text] Osaka, Dec. 26 KYODO—A defendant at the Itoman trial acknowledged Thursday that he gave more than 10 million yen to employees of some news organizations to downplay the media's criticism of the Itoman property speculation and art deal scandal on instructions from a former Itoman president.

Shigeru Kobayakawa, 44, president of the bankrupt property developer Arcadia Corp., is accused of conspiracy with former Itoman president Yoshihiko Kawamura. Kobayakawa acknowledged the truth of all the prosecutors' charges.

Defense lawyers for Kobayakawa told the Osaka District Court hearing that Kobayakawa paid more than 10 million yen to influence the reports of some mass media at the request of Itoman.

"At the beginning of this case, Kobayakawa was asked by former Itoman president (Yoshikiko) Kawamura to collaborate with Itoman to manipulate the mass media's reports in exchange for extending financial assistance to (Kobayakawa's) business," the lawyers said.

Prosecutors charged on December 19 that Itoman bribed an employee of the NIHON KEIZAI SHIMBUN and two other news organizations to downplay criticism of its shady real estate and art business dealings.

Itoman, a trading house affiliated with the Sumitomo group of companies, is accused of extending huge unguaranteed loans to finance speculative land deals. Itoman is also accused of breaching commercial laws by purchasing 211 art paintings for 52.8 billion yen—34.8 billion yen more than their normal market value.

Prosecutors have charged that Kobayakawa intimidated Kawamura into extending 1 billion yen in loans to his Arcadia Corp. By threatening to tarnish Itoman's reputation by publishing critical stories about the scandal.

They said Itoman gave in to the blackmail and extended the money in October 1990 to Arcadia, which used the false pretext that the money would be used to finance its cemetery development program in the hot spa resort of Hakone, Kanagawa Prefecture.

Of the total loan extended by Itoman, 10 million yen was diverted by Kobayakawa to bribe the NIHON KEIZAI employee and another 870 million yen went to a member of an underground crime syndicate, they said.

Kobayakawa is now being tried for causing Itoman huge losses by breaching the trust Itoman had placed in him, as Arcadia later went bankrupt, making it impossible for Itoman to recoup the loan.

In a related development, Noboru Yamada, the public relations bureau chief of the NIHON KEIZAI daily, told KYODO NEWS SERVICE it may take more time before it can identify the alleged NIHON KEIZAI collaborator accused of receiving the 10 million yen bribe.

"We must clear up all the ambiguities, as our company was named in this case. We will continue to do our utmost to identify the alleged collaborator through our in-house investigation," he said.

Business Leaders Ask More Budget Outlay Cuts

OW2212050291 Tokyo KYODO in English 0442 GMT 22 Dec 91

[Text] Tokyo, Dec. 22 (KYODO)—Business leaders reacted favorably Sunday to the Finance Ministry's draft government budget for fiscal 1992 but said the government can still do more to eliminate its wasteful spending.

The cabinet met in the morning to accept the 72 trillion yen draft budget which features the slowest defense spending growth in 32 years and greater public works financed through the issuance of new construction bonds.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, said the top budget priority for fiscal 1992, beginning in April, should be to spur the economy by stimulating domestic demand.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said further monetary steps aimed at expanding public works projects and reducing wasteful spending are also vital.

Nagano expressed his concern, however, over the planned issuance of construction bonds to boost the economy, saying it might cause fiscal problems down the road.

A maximum of 7,280 billion yen construction bond, up 36.3 percent from fiscal 1991, will be issued in the next fiscal year if the draft budget becomes a reality. The bonds would account for 10.1 percent of total revenues.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said the government should restrict defense spending in favor of social welfare and infrastructure programs now that international tensions have eased.

But Nikkeiren's Nagano said it might be unwise to slash defense outlays since the military picture in east Asia is essentially unchanged.

Negotiations To Reinstate Budget Requests Begin

OW2412031091 Tokyo KYODO in English 0244 GMT 24 Dec 91

[Text] Tokyo, Dec. 24 KYODO—Government ministries and agencies started negotiations Tuesday with the Finance Ministry seeking reinstatement of budget requests they had submitted with the draft budget for fiscal 1992.

The ministry submitted the proposed budget to the cabinet Sunday. The plan would allocate 72.218 billion yen to the general account for the fiscal year that starts April 1, 1992, an amount 2.7 percent over the initial budget for fiscal 1991.

Government officials said each government ministry and agency was fighting for a larger share of a 100 billion yen "adjustment fund" contained in the budget plan, since the total budget amount was fixed.

The negotiations started on the working level and are expected to end Friday with cabinet-level talks. The final budget plan is to be adopted by the cabinet Saturday.

The officials said negotiations focused on defense outlays, which under the budget plan would rise only 3.4 percent, the lowest year-on-year upswing in more than three decades. The discussions also concerned Official Development Assistance (ODA), which will expand by a generous 5.0 percent.

LDP Leader Suggests Hike in Consumption Tax

OW2512103991 Tokyo KYODO in English 1014 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—A ruling Liberal Democratic Party (LDP) leader suggested Wednesday the government may raise the consumption tax to make up for an anticipated revenue shortfall.

Addressing business executives, LDP Secretary General Tamisuke Watanuki said Japan's economic prosperity depends largely on stable tax revenue and smooth implementation of a capitalist economy.

The government will have to raise the corporate tax if it continues to rely on revenue from direct taxes to attain its goal of improving social infrastructure and public welfare, he said.

Watanuki spoke at an executive meeting of the powerful Federation of Economic Organizations (Keidanren).

His remark was interpreted as an indication that the government may raise indirect taxes, including the 3 percent consumption tax.

Government and LDP leaders have emphasized the necessity to boost taxes to secure funds for Japan's international contributions and promotion of public works and social welfare projects.

The government has withdrawn the proposed international contribution tax in face of strong protest from the public and most of the opposition parties.

Watanuki said the government is committed to live up to its international pledge to disburse 430 trillion yen for public works over the current 10-year period beginning in fiscal 1991.

Defense Outlay To Rise 3.78 Percent in FY '92

OW2712151691 Tokyo KYODO in English 1420 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—Defense spending will rise 3.78 percent in the fiscal 1992 budget from the fiscal 1991 initial budget, instead of a 3.4 percent growth originally proposed by the Finance Ministry, ministry officials said Friday.

The total expenditures for national defense amounts to 4,551.8 billion yen, an increase of 165.8 billion yen from the fiscal 1991 initial defense budget, but the lowest growth rate in 32 years since a 0.6 percent year-on-year rise in 1960.

The figure is equivalent to 0.941 percent of the nation's gross national product (GNP), the lowest in 10 years and the third straight year that defense spending has been held below 1 percent of GNP.

The defense budget plan will be formally decided by the cabinet Saturday along with other budgetary items and submitted to the Diet next month.

With the cold war over, and given the considerable revenue shortfall expected for the coming fiscal year, starting April 1, the Finance Ministry originally proposed in its draft budget last Saturday that defense spending be increased by 3.4 percent over the current fiscal year.

But the Defense Agency, which had requested a yearly 5.4 percent rise, negotiated this week to restore some items cut initially by the ministry.

According to Finance Ministry officials, the restored items include an additional 10.3 billion yen for barracks and other facilities for Self-Defense Forces (SDF) personnel, and 3.2 billion yen for roads and other facilities for Japanese living in areas surrounding military bases, mostly U.S. bases in Japan.

An additional 1.4 billion yen has also been agreed on in partial payment for Japanese landowners of U.S. military bases in Okinawa, the officials said.

The allocation for frontline weaponry on a contract basis will also increase to 865 billion yen from the 707.6 billion yen originally proposed in the Finance Ministry's draft budget, but it represents a 3.7 percent drop from such spending in the initial fiscal 1991 budget.

Sohei Miyashita, director general of the Defense Agency, said Friday the defense budget for the coming fiscal year represents "the very limit" of the level at which the agency can keep pursuing its fiscal 1991-1995 defense buildup program.

However, Prime Minister Kiichi Miyazawa has reportedly indicated his intention to scale down defense spending, and the five-year defense program itself may come under pressure for further review and possible downward modifications, defense experts say.

They noted the small increase decided for the next fiscal year is not such a severe squeeze.

The experts explain that the agency originally requested a 5.38 percent rise in the fiscal 1992 defense budget, but it could actually get a 4.1 percent rise, because the agency's total purchases on credit have declined in value from the original amount due to the yen's rise against the dollar, and oil prices are also declining.

Main Points of 1992 Draft Budget Outlined

OW2712154191 Tokyo KYODO in English 1508 GMT 27 Dec 91

[Text] Tokyo, Dec. 27 KYODO—The following are the main points of the fiscal 1992 draft budget to be approved at a cabinet meeting Saturday.

—General-account spending to grow 2.7 percent to 72,218 billion yen, smallest increase in five years.
—Defense spending growth to be capped at 3.78 percent, smallest increase in 32 years, to total 4,551.8 billion yen.
—Official Development Assistance (ODA) outlay to expand 7.8 percent to 952.2 billion yen.
—8,170.9 billion yen earmarked for public works in the general account, up 4.5 percent.
—General operating expenditures to increase 4.5 percent to 38,698.8 billion yen.
--Debt-servicing costs to pick up 2.6 percent to 16,447.3 billion yen.
—Tax grants to local governments to be cut by 1.3 percent to 15,771.9 billion yen.
—Tax revenue expected to grow 1.2 percent to 62,504.0 billion yen.
—7,280.0 billion yen in construction bonds to be issued, up 36.3 percent.

BOJ Chief Mieno Said Optimistic Over Economy

OW2512072791 Tokyo KYODO in English 0703 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno Wednesday gave an optimistic assessment of the state of the nation's economy despite a set of recent data pointing to an economic downturn.

"The economy is still slowing gradually, but it does not mean an economic falloff is in the offing," Mieno told a regular press conference.

In other remarks, Mieno noted a recent rise in German interest rates and a cut in key U.S. interest rates will not affect Japan's monetary policy.

But Mieno added he will watch closely the impact on currency markets of the widened interest rate gap between Germany and the United States.

EPA Sees No 'Major Dip' in Economic Growth

OW2612083891 Tokyo KYODO in English 0815 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—The Economic Planning Agency (EPA) said in a report released Thursday that Japan's economy is growing at a slower pace but it is unlikely that there will be a major dip.

At the same time, however, the agency noted the importance of preventing corporate confidence from withering, and also called for the establishment of a fair and competitive securities and financial system.

In a report reflecting economic conditions this year and future outlook as well, the EPA said lower domestic interest rates, stable prices, and an expected recovery of the world economy will keep Japan's economy out of serious trouble.

The official discount rate, currently standing at 5 percent per annum, was lowered twice, in July and November, by half a percentage point each time.

Japan's ecomy is currently in a transitional phase from fast growth to a more long-lasting expansion free of inflationary pressures, it said.

The pace of real growth of gross national product (GNP) in 1991 showed an apparent decline in the second and third quarters this year, the report said. The economy grew at 2.0 percent in the January-March quarter, at 0.7 percent in the next quarter, and at 0.4 percent in the July-September period.

The EPA attributed the slower growth to tighter monetary policy to prevent inflationary pressures in the first half of 1991, stock market adjustment after a long-term rise, and a reverse assets effect due to declines in share prices.

The first two factors are inevitable and have to be faced sooner or later when economic expansion extends for a long period, it said, and since the slower growth was not caused by external factors, the EPA described the situation as "autonomous and classical."

Housing starts and investment in plant and equipment slowed in 1991. Inventories rose, the labor shortage eased slightly and working hours were reduced a little, the report said.

Wholesale prices are stable and so are consumer prices, with the exception of fresh food such as vegetables, it said.

Consumption remained firm supported by stable growth of income, the EPA said, but the effects of the burst of the so-called "bubble economy" that was triggered by the plunge in stock prices in 1990 apparently caused sales of luxury goods to decline.

In respect to land prices, the report said lower prices are being seen in an increasing number of areas, helped by restrictions on bank lending to real estate developers, but overall levels are still high.

Think Tank: Yen Rise Good for Trade Imbalance

OW2112012091 Tokyo KYODO in English 1532 GMT 20 Dec 91

[Text] Tokyo, Dec. 20 KYODO—Japan's trade imbalance with the United States should be mended with a moderate rise of the yen in foreign exchange rather than by eases in Japan's monetary policy, a private economic research body said in a report Friday.

Mitsubishi Research Institute Inc., a research arm affiliated with Mitsubishi Bank, said in the report that bilateral economic relations in 1992 appear to be similar to those in 1985, when the United States called on Japan to expand domestic demand for U.S. exports.

In increasing domestic demand, however, Japan should be careful if it eases its monetary policy any further, the report said, indicating that there are factors like the tight labor supply that could strengthen inflationary pressures.

Leading the yen to go moderately higher against the U.S. dollar may be helpful, the report said, adding the dollar could possibly be at the 120 yen level in the second half of next year.

The report projects the U.S. economy will grow 2.1 percent in 1992 in real terms on the basis of the gross national product. The recovery pace is relatively slow and this will accelerate expectations for more exports to pull up the U.S. national economy.

On the other hand, Japan's fiscal 1992 economy will show a 2.7 percent growth, which is still slower than in past years.

Despite that growth rate, the United States may still expect Japan to expand domestic demand and import more American-made products, the report said.

Five-Day Week Decided for Government Workers

OW2412103291 Tokyo KYODO in English 1013 GMT 24 Dec 91

[Text] Tokyo, Dec. 24 KYODO—The government decided Tuesday to implement a permanent five-day workweek for central government employees during fiscal 1992, government officials said.

The government will make a formal decision at a future cabinet meeting, the officials said.

Prime Minister Kiichi Miyazawa said in a TV interview that the government wants to introduce the shorter workweek on April 1 next year.

The Management and Coordination Agency will draw up a bill for submission to the regular Diet session due to start in January after the government makes a formal decision, the officials said.

The national personnel authority recommended in August this year that a permanent five-day workweek for government workers be adopted at the earliest opportunity during fiscal 1991.

The government has carried out a general trial of the five-day workweek since April last year. A shift work trial at such places as national hospitals ended last Saturday. There was no major hitch in administrative services because of the five-day system, the officials said.

The government introduced a scheme in January 1989 giving government employees six regular days off every four weeks.

Workers Get 5.9 Percent Wage Hike for 1991

OW2512090891 Tokyo KYODO in English 0818 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Japanese private industry workers received a monthly pay raise of 14,394 yen, or an average 5.9 percent, this year, according to a Labor Ministry survey published Wednesday.

That was the second-highest rate of increase in recent years, after last year's 6.0 percent, ministry officials said.

The survey was based on questionnaires sent to 2,298 companies with more than 100 workers in September. The ministry said 67.4 percent of them responded.

The construction industry reported the highest pay increases at an average 6.5 percent, followed by the wholesale-retail-restaurant sector with 6.4 percent.

In deciding pay raises, 42.9 percent of the companies attached the greatest importance to their corporate financial performance and 34.4 percent to the average pay-raise level.

The proportion of companies giving priority to securing workers and keeping them on their payrolls came to 17.9 percent, the highest since 1973, reflecting the serious national labor shortage, the officials said.

Ministry To Investigate Sale of Insurance Data

OW2312053891 Tokyo KYODO in English 0500 GMT 23 Dec 91

[Text] Tokyo, Dec. 23 KYODO—Dai-ichi Mutual Life Insurance Life Co. apparently leaked information on corporate insurance contracts, which was then resold by a Tokyo information service company, industry sources said Monday.

Dai-ichi has admitted to the leak and is rushing to determine how many names it revealed, among other facts, they said.

This revelation comes on the heels of reports that an information service company had sold personal data on individual customers from Asahi Mutual Life Insurance Co. and Toho Mutual Life Insurance Co.

The Finance Ministry is taking the matter seriously and will question as early as Tuesday responsible officers from the three insurers, a ministry source said.

The ministry will also restate its warning to the insurers to follow the guidelines set by the Life Insurance Association of Japan regarding protection of client information.

Insurance Companies Apologize

OW2412111791 Tokyo KYODO in English 1042 GMT 24 Dec 91

[Text] Tokyo, Dec. 24 KYODO—Three Japanese life insurance companies apologized Tuesday for leaks of client data to information firms and sought to assure the public that confidentiality will be better maintained in the future.

Kenjiro Hata, president of the Life Insurance Association of Japan, said in a statement that it is extremely regrettable that the incident occurred despite an association commitment in June to protect customer information.

Dai-ichi Mutual Life Insurance Co., Asahi Mutual Life Insurance Co. and Toho Mutual Life Insurance Co., have asked various information firms to suspend sales of any confidential material they might possess.

The companies also said they have formed special teams to determine how the secret information got out.

The Finance Ministry, which oversees the insurance industry, told the three insurers earlier Tuesday to sort out the situation as quickly as possible.

"It is quite regrettable," a ministry official said about the breach of security, saying the incident "shouldn't have happened."

The association, to which 30 insurance firms belong, said it will study ways of tightening controls on client data.

First Launch Rehearsal of H-2 Rocket Conducted

OW2412155491 Tokyo NHK General Television Network in Japanese 1000 GMT 24 Dec 91

[Text] The first practice launch of the H-2 rocket, Japan's primary next-generation rocket, was conducted today at the Tanegashima Space Center in Kagoshima Prefecture. The launch practice commenced at 1400.

The first and second stages of the rocket were assembled on the launch pad. The doors on the left and right were opened to reveal the gigantic body, which is approximately 40 meters high.

Today's rehearsal was designed to check the launch procedures. The liquid hydrogen and oxygen rocket fuel was injected into the rocket.

At the mission control center, the countdown procedure was repeated many times. The launch practice went smoothly and ended this evening.

The H-2 rocket is a large, two-stage rocket, developed soley by Japan. It will be able to launch a 2-ton stationary satellite.

The National Space Development Agency plans to carry out further ground tests prior to the first launch, scheduled for the winter of 1993.

'Fastest 4-Megabit Flash Memory Chip' Unveiled

OW2512083891 Tokyo KYODO in English 0809 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—NEC [Nippon Electric Company] Corp. announced Wednesday the development of what it calls the world's fastest 4-megabit flash memory chip.

The company said it will begin sample shipments of the chip in March 1992 at a price of 10,000 yen per unit and launch mass production in July 1992 at a rate of 30,000 units a month.

NEC said the new product has an access time of less than 200 nanoseconds, faster than any other 4-megabit flash memory now available in the market. A nanosecond is one billionth of a second.

The new chip, based on a 1.0-micron complementary metal oxide semiconductor (CMOS) manufacturing process technology, will be available in three speed varieties—120 nanoseconds, 150 nanoseconds, and 170 nanoseconds, the company said.

Flash memory chips can be used in computers to replace floppy disks or hard disks because they can be immediately programmable and erasable.

"Flash memory creates all-new possibilities for semiconductor memories," said Shigeki Matsue, vice president of NEC semiconductor group.

"It is a much-anticipated product which may partly take the place of hard and floppy disk drives in portable personal computers and other handy terminals," he said.

North Korea

Delegates' First Contact on Nuclear Issue Cited

SK2612161391 Pyongyang Korean Central Broadcasting Network in Korean 1404 GMT 26 Dec 91

[Text] The first round of contacts between delegates to discuss the nuclear issue in accordance with the agreement of the fifth round of North-South high-level talks was held on 26 December at Tongilgak on our side of Panmunjom.

Two delegates from each side of the North-South high-level talks and three experts from each side participated. The meeting was held behind closed doors.

After the end of the meeting, our side's delegate Choe U-chin held a news conference.

He said that today's meeting is the first since the adoption of the agreement on reconciliation, nonaggression, cooperation and exchange between the North and South at the fifth round of North-South high-level talks; it dealt with the nuclear issue, which is a life-and-death matter for the nation; and it was especially important.

He revealed that complete agreement was reached on the denuclearization of the Korean peninsula. Our side showed sincerity and tolerance so that a joint declaration could be signed and adopted at the sixth round of high-level talks, putting forth a fresh draft of a joint declaration on the denuclearization of the Korean peninsula, taking into great consideration the South side's proposals.

According to our side's proposal, the title itself shows that our side accepted the South side's claims so that a breakthrough can be made in resolving the nuclear issue. Also, many subjects, including issues related to the nuclear umbrella and prohibiting passing, landing, and calling of aircraft and warships with nuclear weapons in the sky and territorial waters—which the South side finds difficult to accept—were eliminated and revised.

Also, in our new joint draft the point that nuclear reprocessing and enrichment facilities will not be maintained, which the South side is claiming, is clearly written. Regarding this kind of new proposal by our side, the South side assessed this as a proposal showing change.

Nevertheless, in contrast to our side, in today's meeting the South side put forth a so-called joint declaration that was identical to the one put forth during the fifth round of North-South high-level talks and made unreasonable and arrogant remarks by saying that our side must sign and ratify the nuclear safeguards accord by a certain time, and other remarks.

Moreover, the South side said that if we do not sign and ratify the nuclear safeguards accord, our side will have to take some kind of responsibility. With regard to this, our side asked if the purpose of the South side's participation in today's contact is to resolve the nuclear issue or to obtain something else by threatening us, and strongly questioned the South side's motives and position in dealing with the talks.

Our side responded that the South side's words and deeds are indeed unjust, improper, and lacking common sense and run counter to the spirit of the agreement adopted between the North and South.

Our side clearly revealed that signing, ratification, and inspection, issues the South side put forth, are issues that must be resolved between our side and the International Atomic Energy Agency [IAEA], and that these are by no means issues in which the South side should interfere.

With regard to our side's position, our side clearly stated that we are sincerely fulfilling the duty of the IAEA and that we will in the near future sign the nuclear safeguards accord and ratify it through legal procedures and also receive inspections.

Our side said that the whole world knows that some 1,000 U.S. nuclear weapons were deployed in South Korea and counters with the question: Why is the South side not making a single remark regarding this matter, and why is it so afraid of clearly writing in the joint declaration the articles prohibiting passage, landing, and calling of aircraft and warships with nuclear weapons in the sky and territorial waters?

We said that we welcome it because the person in authority in South Korea confirmed that U.S. nuclear weapons no longer exist in the South. However, we asked why the United States, which has the right to produce, deploy, use, and receive nuclear weapons, keeps silent.

We stressed that it is our belief and will that we never obey or yield to anyone's pressures and deal with and solve all of our problems independently. The South side is distorting the fact as if the problem lies in our refusal to sign the nuclear safeguards accord in guaranteeing peace on the Korean peninsula. We noted that the real problem is that the South side keeps conducting the joint Team Spirit military exercises, which is a nuclear war game.

We urged the South side to answer the question of how it can conduct the Team Spirit exercise next year under the pretext of a possible southward invasion at this time, when a good agreement promising nonaggression between the North and the South is adopted. The South side admitted that the signing, ratification, and inspection surely are questions to be solved between the North side and the IAEA. However, reiterating the previous allegations that the Team Spirit exercises are not for the purpose of northward invasion but are defensive exercises, the South side avoided giving a clear answer.

Our side's delegates logically refuted the South side's recent statements on the signing, ratification, and other topics which are aimed at finding new excuses to enforce the planned nuclear war game at this time when the Agreement on Reconciliation, Nonaggression, Cooperation, and Exchange Between the North and the South is adopted and there are no more excuses for the exercises.

Saying that it will decisively affect the sixth round of the North-South high-level talks and that the peace-loving people of the world will denounce the South side if it holds the Team Spirit exercises with the United States again, we cautioned the South side to give it deep consideration.

The South side gave no answer to our logical refutation. Concluding the contact, our side expressed our expectation that the South side will prudently study our momentous, forward-looking new proposals and will react positively to them, so that we can finalize arrangements for a draft agreement.

The South side said that it will study in depth our momentous new proposals and will give us an affirmative answer at the next meeting. It was agreed that the next contact will take place on 28 December.

The first delegates' meeting to discuss the nuclear issue in accordance with the agreement reached at the fifth round of the North-South high-level talks was held at Tongilgak, on our side, on 26 December.

Daily Pushes for Denuclearization at Ealiest Date

SK2612011891 Pyongyang Korean Central Broadcasting Network in Korean 0017 GMT 20 Dec 91

[NODONG SINMUN 20 December special article: "Denuclearization of the Korean Peninsula Is an Imminent Task That Cannot Be Delayed"]

[Text] The great leader Comrade Kim Il-song has taught: To eliminate the danger of nuclear war in Korea and to ensure peace there, it is imperative to withdraw U.S. forces and nuclear weapons from South Korea, to realize the denuclearization of the Korean peninsula, and to solve the reunification question of Korea peacefully.

The peace-loving people of the world who want to live in a peaceful world devoid of nuclear weapons are now vigorously waging the movement to establish nuclear-free zones on an international scale. Turning the Korean peninsula into a nuclear-free zone should be realized at the earliest possible date and has become a mature demand [songsuktoen yogu] in the general trend of the times. This is because it is not only an important matter affecting the Korean people's destiny but is also a serious matter for Asia's peace and security.

Our Republic, regarding the removal of the nuclear threat on the Korean peninsula as the vital matter affecting the nation's destiny and existence and as an important key to achieving the cause of global peace, has actively made consistent efforts to make the Korean peninsula a nuclear-free peace zone.

That we positively advanced a proposal to settle the issue of turning the Korean peninsula into a nuclear-free zone at the fifth round of North-South high-level talks is clear proof of this. The declaration on turning the Korean peninsula into a nuclear-free zone that we proposed contains all practical articles for guaranteeing the denuclearization of the Korean peninsula, including having the North and the South make joint efforts to withdraw U.S. forces and nuclear weapons deployed in South Korea and to abolish nuclear bases, jointly verifying the withdrawal of U.S. nuclear weapons and the abolition of U.S. nuclear bases, and implementing the duty of a simultaneous nuclear inspection as required by international treaty.

This proposal is a constructive and reasonable one which would make it possible to solve the nuclear issue of the Korean peninsula in the most fair and aboveboard way, to lead our nation out of the danger of nuclear calamity, and to most thoroughly ensure the denuclearization of the Korean peninsula.

Last July, too, we advanced a proposal containing detailed measures for the solution of the nuclear issue of the Korean peninsula. Some time ago, in a statement by our Foreign Ministry, we clarified that we will sign the nuclear safeguards agreement when the United States begins to withdraw nuclear weapons from South Korea and that an inspection of our nuclear facilities can be made simultaneously with an inspection for verifying whether or not U.S. nuclear weapons are present.

This clearly shows our Republic's consistent and just stance and sincere efforts on the issue on turning the Korean peninsula into a nuclear-free zone. It is only too natural that such a stance and such efforts have won support and sympathy from domestic and international public opinion and in the international community.

The South Korean authorities, who not only had kept silent about the issue of turning the Korean peninsula into a nuclear-free zone but had also gone so far as to take the attitude of opposing it, expressed their will on the nuclear issue, aside from their intent and purpose. Also, the South side, sharing with us the understanding that there should be no nuclear weapons on the Korean peninsula, has agreed to hold a contact of delegates to discuss and settle the nuclear issue.

These are the demonstrations of the will to settle the issue of turning the Korean peninsula into a nuclear-free zone with the independent strength of the nation; these constitute a one step advance. If and when the North and the South make joint efforts, a favorable phase for turning the Korean peninsula into a nuclear-free zone can be provided.

All of the Korean people want the Korean peninsula to be turned into a nuclear-free zone at the earliest possible date. Numerous Asian and world people who love peace demand that the Korean peninsula be turned into a nuclear-free zone. Whether the Korean peninsula will be turned into a nuclear-free zone or not depends entirely on the United States' attitude.

Today the United States no longer opposes or turn away from the denuclearization of the Korean peninsula. As U.S. authorities themselves say, the East-West cold war system is collapsing at the present time, and the nuclear confrontation between the nuclear superpowers, which were of hostile relations, is being alleviated.

The United States, declaring the Korean peninsula a test site for the confrontation of force between the West and the East, has clamored that its policy of turning South Korea into a nuclear base and the forward deployment of its nuclear armed forces is to check the Soviet Union. However, today when the two countries of the Soviet Union and the United States do not regard each other as the enemy and are talking about the need for nuclear disarmament, there is no justification whatsoever for the United States to deploy nuclear weapons in South Korea and to continue to hold on to it as a nuclear base.

Furthermore, recently the United States has admitted the presence of nuclear weapons in South Korea and gone so far as to express its will to withdraw nuclear weapons from South Korea. The international community is paying attention to a series of such changes in the

U.S. attitude and hopes that the U.S. will will not become an empty pledge and will be converted into a practical act at the earliest possible date.

The source of the nuclear issue in our country was originally the deployment of U.S. nucler weapons in South Korea. Therefore, withdrawing U.S. nuclear weapons from South Korea has beome a key factor for resolving the nuclear issue on the Korean peninsula, that is, the issue of turning the Korean peninsula into a nuclear-free zone.

South Korea is a nuclear powderkeg, the largest in the world. More than 1,000 U.S. nuclear weapons have been deployed there, and they are ready to be used at any time. The United States is attempting to launch a preemptive nuclear attack against our Republic, using as a stepping-stone South Korea, a colony and a military base, which it regards as a military stronghold and as a most favorable region for the use of nuclear weapons.

Recently, advertising someone's nuclear development and nuclear threat and making such violent utterances as choice of a strong military action and bombing of strategic points in a bid to check and frustrate the fabricated nuclear development and nuclear threat the U.S. ruling circles are more frantically running wild for a war commotion. Talking about military pressure on someone and the renouncing of its development of nuclear weapons, the U.S. ruling circles are planning to stage next year's Team Spirit joint military exercise on a largerer scale.

The situation on the Korean peninsula is being aggravated with each passing day, and this is affecting the peace and security of Asia and the rest of the world. Only by turning the Korean peninsula into a nuclear-free zone can we remove the nuclear flash point, the most dangerous one in the world, and prevent a nuclear war.

What attitude they will take toward turning the Korean peninsula into a nuclear-free zone becomes a yardstick which distinguishes whether they want war or peace. If the United States truly wants peace on the Korean peninsula and in Asia and the world, it should show this through practical acts to turn the Korean peninsula into a nuclear-free zone. Only by doing so can the Korean peninsula become a nuclear-free zone and, thus, a favorable phase for building a nuclear-free world be opened.

New Commonwealth of Independent States Hailed

SK2712085491 Pyongyang KCNA in English
0847 GMT 27 Dec 91

[Text] Pyongyang December 27 (KCNA)—Kim Yongnam, vice-premier of the Administration Council and foreign minister of the Democratic People's Republic of Korea, sent letters to the foreign ministers of the countries of the Commonwealth of Independent States on their recent achievement of independence.

In the letters the DPRK foreign minister said the DPRK government hails the formation of the Commonwealth of Independent States, recognizes their independence and expresses the willingness to develop friendly and cooperative relations with them in all fields in accordance with the idea of independence, peace and friendship.

Envoy in Moscow Meets Reporters on Nuclear Issue

SK2712060891 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 26 Dec 91

[Text] A news conference was held at the DPRK Embassy in Moscow on 25 December in connection with the Foreign Ministry spokesman's statement dated 22 December. Reporters from newspapers, news agencies, and broadcasting media in Moscow participated in it.

Son Song-pil, ambassador of our country, spoke at the news conference.

He referred to the content of the DPRK Foreign Ministry spokesman's statement, he said that the statement comprehensively sets forth the government's position of the government of the Republic as to the issue of signing a nuclear safeguards agreement, the issue of nuclear inspection, and the issue of denuclearization of the Korean peninsula under the present situation. He stated that through the 25 November Foreign Ministry statement, we had already welcomed the proposal of the U.S. President on the withdrawal of tactical nuclear weapons and said that we will sign a nuclear safeguards agreement if the United States begins to withdraw nuclear weapons from South Korea.

Noting that after we had issued this statement, foreign press spread reports that the withdrawal of U.S. nuclear weapons began in South Korea and that on 18 December the South Korean person in authority announced that no nuclear weapons exist in South Korea, he said that if this is true it ought to be welcomed for it means that the consistent demand of the government has been realized, stressing that this constitutes a great victory of our nation which has resolutely struggled in calling for the withdrawal of the U.S. nuclear weapons from South Korea and the removal of nuclear danger.

He said that our country joined the nuclear Nonproliferation Treaty with an objective of eliminating the danger of nuclear war in our country and of turning the Korean peninsula into a nuclear-free zone, and called attention to the fact that the government made various just proposals one after another thereafter, such as the proposal for the denuclearization of the Korean peninsula, to realize this objective.

He then said that even after we had joined the Nuclear Non-proliferation Treaty, the United States demanded our unilateral implementation of the duty provided for in the treaty instead of withdrawing its nuclear weapons from South Korea, thereby creating such a complicated problem as is seen today.

He noted that under the condition where the United States, the owner of the nuclear weapons who directly has the right to use and the right to withdraw the nuclear weapons presently deployed in South Korea, has not made any official notification or announcement on the withdrawal of nuclear weapons, it is impossible to know exactly whether the nuclear weapons have been withdrawn or not from the foreign press report or by the South Korean person in authority's remarks alone.

He stressed that we proclaimed, nevertheless, now that it has been disclosed that there is no nuclear weapons in South Korea, we will sign the safeguards agreement pursuant to the nuclear Non- proliferation Treaty on the premise that the United States will clarify its clear position and that we will subject ourselves to the inspection through a relevant procedure.

He made it clear that he stresses once again that the inspection to ascertain the existence of the U.S. nuclear weapons deployed in South Korea must also be conducted simultaneously when our country receives the inspection pursuant to the nuclear safeguards agreement, as we have already asserted and as the South Korean side has also agreed to it.

He noted that to conduct a simultaneous inspection, it is self-evident that DPRK-U.S. negotiations should be realized. Then the ambassador answered the questions posed by reporters.

Forestry Delegation Returns From Russia 21 Dec

SK2612100091 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 21 Dec 91

[Text] Our country's government forestry delegation led by Forestry Minister Kim Chae-yul returned home from Russua by plane on 21 December. Vice Forestry Minister Kim Yong-hwa and Aleksandr Kapto, Soviet ambassador to our country, welcomed the delegation at the airport.

Jiang Zemin Hails Kim Chong-il on KPA Command

SK2712082991 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 27 Dec 91

['Congratulatory Message' from Jiang Zemin, chairman of the PRC Central Military Commission, to Comrade Kim Chong-il, on his election as supreme commander of the Korean People's Army; sent on 26 December—read by announcer]

[Text] To Comrade Kim Chong-il, supreme commander of the KPA, Pyongyang:

I extend warm [yolyolhan] congratulations to you on your election as the supreme commander of the Korean People's Army [KPA].

I believe that the friendly relations between the peoples and armies of China and Korea will constantly develop in the future.

I wish you success in the important work you have undertaken.

[Signed] Jiang Zemin, Chairman of Central Military Commission of the PRC

[Dated] 26 December 1991, Beijing

PRC Daily Praises Kim Il-song's Oct Visit

SK2712093891 Pyongyang KCNA in English 0819 GMT 27 Dec 91

[Text] Beijing December 26 (KCNA)—The Chinese PEOPLE'S DAILY today introduced the great leader President Kim Il-song's China visit in October as a great international event.

The daily said leaders of the two countries had warm meetings and talks during the visit.

General Secretary Jiang Zemin said that in recent years the situation on the Korean peninsula has been tending towards relaxation and the North-South relations improving, it noted, adding: This is in accord with the interests of the Korean people and also with the desire of the peoples of Asian countries, Jiang stated.

He said that China supports President Kim Il-song's proposal to reunify the country by means of confederation.

No Tae-u's Message to U.S. Forces Denounced

SK2712092891 Pyongyang KCNA in English 0840 GMT 27 Dec 91

[Text] Pyongyang December 27 (KCNA)—No Tae-u in his "Christmas message" December 24 to the U.S. imperialist aggression forces in South Korea raised again a hue and cry over the "threat from the North". He said that the "alert against the North should not be slackened" and the "watertight alert" of the U.S. forces and the puppet army should continue next year when various "elections" will be held.

Going round different positions of the puppet army, he said "the army should take a full combat posture".

This indicates that the South Korean authorities are still keeping to the outmoded concept of confrontation in which they had stepped up the war preparations against the North under the fictitious "threat from the North", and are scheming to persistently pursue the policy of confrontation and war still now when the North and the South adopted an important agreement which promises nonaggression, says a NODONG SINMUN analyst today.

It is a perfidious act that the South Korean authorities are crying for a combat posture after promising nonaggression and it is an act intended to nullify the agreement itself, the analyst says, and continues:

They are calling for a "battle readiness" under the fictitious "threat from the North" in a bid to find a pretext for keeping the U.S. imperialist aggression forces in South Korea and gratify their criminal design to "unify the country by prevailing over communism" in league with outside forces.

With outcries over the "threat from the North", No Tae-u also seeks to fascistize the society still further and remain in power again.

The group of despicable flunkeyists who said a good thing at the talks with the North and are now attempting to turn down even the important agreement between the North and the South, contrary to what they said, will meet bitter denunciation at home and abroad.

The South Korean authorities must discard the worn-out attitude of confrontation and division and make a policy switchover toward peace and reunification.

South 'Must Not Impede' North-U.S. Negotiations

SK2712094291 Pyongyang KCNA in English 0836 GMT 27 Dec 91

["South Korean Authorities Must Not Hamper DPRK-U.S. Negotiations"—KCNA headline]

[Text] Pyongyang December 27 (KCNA)—No Tae-u recently told a U.S. congressman that the United States should refrain from having direct negotiations with the North over the nuclear problem. Synchronizing with this, the South Korean authorities released a "statement" of similar content.

Commenting on this, a NODONG SINMUN analyst today says that if the South Korean authorities truly want to see the denuclearization of the Korean peninsula, they must not impede DPRK-U.S. negotiations to solve the problem.

The analyst further says:

Why are the South Korean authorities objecting to DPRK- U.S. negotiations badly needed to remove the nuclear threat on the Korean peninsula and trying to lay obstacles to them?

They are claiming that they are the "very one" who is responsible for the settlement of the problem of U.S. nuclear weapons in South Korea and they can do something to this end. But nobody will be taken in by this sophism.

We have one thing to be solved with the United States and another to be settled with the South Korean authorities for peace and the denuclearization of the Korean peninsula.

It seems that the South Korean authorities are now feeling uneasy because they may lose something in the "U.S. protection" if DPRK-U.S. negotiations were held. The South Korean authorities must, first of all, discard the wrong attitude of dependence on outside forces.

South Urged To Scrap National Security Law

SK2612054691 Pyongyang KCNA in English 0444 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—The South Korean authorities demanded a prison term of twelve years and suspension of qualification of the same term for student Kim Chong-sik, former chairman of the National Council of Student Representatives (Chondaehyop), on the charge of "formation of an organization benefiting the enemy". He had been arrested under the "National Security Law" after sending delegates of Chondaehyop to the Berlin tripartite working-level talks for a successful grand reunification festival of students in the North, South and overseas.

While releasing the torture-killer of patriotic student Pak Chong-chol on "special parole" on the occasion of "Christmas Day", they are keeping Rev. Mun Ik-hwan, coed Yim Su-kyong, Father Mun Kyu-hyon and other patriots who visited the North and prisoners of conscience behind bars.

Commenting on this, a NODONG SINMUN analyst today says:

They keep in fetters patriots who conducted righteous activities for national reconciliation, unity and reunification and grant the "benefits" of release to murderers. This is an anti-national, anti-reunification act which can be committed only by those who are trying to cast a chill over the atmosphere of North-South negotiations and lay obstacles to the implementation of the agreement for peace and reunification.

The analyst further says:

How are the South Korean authorities going to have dialogue and realise reconciliation and cooperation with the North, while suppressing the patriotic forces of reunification and democracy as "pro-communist elements benefiting the enemy" by invoking the "National Security Law", an anti-reunification law which defines the North, their dialogue partner, as an "anti-state organization?"

Their acts give us the misgivings that they are going to follow in the footsteps of the former dictator who threw away the agreement with the North like a pair of old shoes and openly took the road of anti-communist confrontation, regarding the July 4 North-South joint statement as a "sheet of paper" even before the ink of their signature on it was dry.

The No Tae-u ruling group must stop at once such anti-national acts as throwing a wet blanket over the atmosphere of reconciliation and unity between the North and the South and demonstrate its willingness to carry the agreement into effect by scrapping the "National Security Law" and releasing the patriots who visited the North.

Sentence For Student Leader in South Condemned

SK2712094091 Pyongyang KCNA in English 0810 GMT 27 Dec 91

[Text] Pyongyang December 27 (KCNA)—The South Korean authorities December 24 demanded ten years of imprisonment and ten years of suspension of qualification for Student Han Chol-su, chairman of the national reunification committee of the National Council of Student Representatives (Chondaehyop), on "charges of violation of the National Security Law," a radio report from Seoul said.

The student in cooperation with Kim Chong-sik, chairman of Chondaehyop, conducted righteous activities by sending Song Yong-sung of Konguk University and Pak Song-hui of Kyunghui University to the North as delegates of Chondaehyop to convey the South Korean students' desire for national reunification to the students in the North.

The South Korean authorities' anti-national repression of the patriotic student who deserves praise for his activities for national reunification has angered the students.

WPK Committee Greets Head of Australian Party

SK2612043691 Pyongyang KCNA in English 0426 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings December 24 to Paul Keating on his election as leader of the Australian Labour Party.

The message expressed the belief that the friendly and cooperative relations between the two parties would develop on good terms in accordance with the idea of independence, peace and friendship and wished him success in his responsible work.

Kim Il-song Receives Peruvian University Award

SK2512070391 Pyongyang KCNA in English 0429 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The Council of Huacho National University of Peru decided to award an honorary doctorate to the great leader President Kim Il-song on December 13.

A meeting was held at the Colon Theatre in Huacho City on December 18 to convey the diploma of the honorary doctorate and a silver medal awarded to President Kim Il-song.

The decision of the council of the university on awarding the honorary doctorate to President Kim Il-song was read out at the meeting before the diploma and medal were handed to the DPRK ambassador to Peru by the president of the university.

Noting that next year is a significant year marking the 80th birthday of President Kim Il-song, the president of the university in his speech, said: It is an honor for our university to award the honorary doctorate to him with the approach of this auspicious holiday.

Kim Chong-il Receives Peruvian University Award

SK2512070791 Pyongyang KCNA in English 0440 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The Council of Huacho National University of Peru decided to award an honorary doctorate to the dear leader Comrade Kim Chong-il on December 13.

A meeting was held at the Colon Theatre in Huacho City on 18th to convey the diploma of the honorary doctorate and a silver medal awarded to Comrade Kim Chong-il.

The decision of the council of the university on awarding the honorary doctorate to Comrade Kim Chong-il was read out there before they were handed to the DPRK ambassador to Peru by the president of the university.

Addressing the meeting the president of the university said His Excellency Kim Chong-il is a symbol of modern Korea and under his guidance the Workers' Party of Korea, as a true mass political party, has made great achievements in the efforts for the happiness and well-being of the popular masses.

So we regard it as an honor of our university to award the honorary doctorate to His Excellency Kim Chong-il on the threshold of his 50th birthday, he added.

Chongnyon, Other Groups From Japan Visit

SK2412111691 Pyongyang KCNA in English 1015 GMT 24 Dec 91

[Text] Pyongyang December 24 (KCNA)—A delegation of officials of the General Association of Korean Residents in Japan (Chongnyon) led by Kim Chong, vice-director of a department of the Central Standing Committee of Chongnyon, a home visiting group of educational workers of Chongnyon led by Kim Myong-son and a home visiting group of Koreans in Japan led by Yi Yong-son arrived in Wonsan by the ship Mangyongbong on December 23.

Meeting Marks Cuban Revolution 33d Anniversary

SK2612111191 Pyongyang KCNA in English 1024 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—A national meeting to commemorate the 33rd anniversary of the victory of the revolution in Cuba was held at the People's Palace of Culture today.

Present there were Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, officials concerned and working people in the city.

Invited there were Cuban Ambassador to Korea Juan Jose Leon Vega and his embassy officials and Cuban guests staying in Korea.

Speaking at the meeting, Kang Hui-won said that we are significantly celebrating the 33rd anniversary of the victory of the Cuban revolution as a common holiday at a time when the bonds of traditional friendship and cooperation between the Korean and Cuban peoples are expanding and developing to a new, higher stage.

The victory of the Cuban revolution is the first victory of the socialist revolution under the very nose of the United States, an important event that set the beginning of the socialist revolution in Latin America, he noted, and added:

The Cuban people have vigorously advanced along the road of socialism in the past 33 years after the victory of the revolution under the correct leadership of the Communist Party of Cuba headed by Comrade Fidel Castro.

To strengthen and develop friendship and cooperation between the two countries forever through generations is the will and determination of our party and people. We will in the future always and invariably fight staunchly shoulder to shoulder with each other on the road of the common struggle for the victory of the socialiet cause against imperialism, not wavering in any ordeal and storm.

Juan Jose Leon Vega in his speech referred to the significance of the victory of the Cuban revolution and the achievements made after its victory. He laid bare the U.S. imperialists' anti-Cuba moves.

Cuba will in the future, too, express invariable support to the DPRK till the day when Korea is reunified in accordance with the grand plan of the Korean people, particularly Comrade Kim Il-song and Comrade Kim Chong-il, he stated.

The recent adoption of "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" is a good thing for the reunification of the country, he said, and continued:

The South Korean authorities should work to remove all obstacles to the country's reunification.

Noting that the two peoples are the fighters in the same trench against the U.S. imperialists, the common enemy, he said: We will defend to the end the socialist banner for the present and future generations as taught by Comrade Kim Il-song and Comrade Fidel Castro.

Kim Il-song Receives Letter From Daniel Ortega

SK2612044791 Pyongyang KCNA in English 0429 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—The great leader President Kim Il-song received solidarity letters from Daniel Ortega Saavedra, general secretary of the Sandinist National Liberation Front of Nicaragua, and Genaro Ledesma Izquieta, chairman of the People's Front of Workers, Peasants and Students of Peru and chairman of the United Left of Peru.

Daniel Ortega Saavedra expressed concern over the new threat of the U.S. administration to the people and government of the DPRK, saying that this threat endangers world peace and security.

Under this situation, the Sandinist National Liberation Front calls on the international community to make every necessary effort to solve all disputes correctly through dialogue within the framework of international law, he stressed.

Genaro Ledesma Izquieta expressed support to the Korean people's invariable position to reunify Korea on the three principles of independence, peaceful reunification and great national unity.

Ambassador Presents Credentials to Belize Leader

SK2612000991 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Dec 91

[Text] On 9 December Han Pong-ku, the new DPRK ambassador extraordinary and plenipotentiary to Belize, presented his credentials to Governor General Minita E. Gordon.

The ambassador conveyed greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to Governor General Minita E. Gordon. The governor general was very grateful for this and asked the ambassador to convey her warm greetings to the great leader Comrade Kim Il-song the dear leader Comrade Kim Chong-il.

The governor general talked about developing relations between Belize and Korea and hoped that Korea can be reunified peacefully. Talks were held in a friendly atmosphere.

Rwandan Socialist Party Welcomes N-S Agreement

SK2512102391 Pyongyang KCNA in English 0427 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The National Committee of the Rwandan Socialist Perty in a letter to the DPRK ambassador to Rwanda welcomed the adoption of the Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South of Korea.

The adoption of this agreement is a great historic event which could take place because respected His Excellency President Kim Il-song wisely guided the Workers' Party and people of Korea in the efforts to accomplish the cause of national reunification, the letter noted, and stressed: We believe that the Korean people's cause of reunification will be accomplished without fail.

Catholic Association Chief Praises N-S Agreement

SK2512102991 Pyongyang KCNA in English 1008 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The adoption of the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange between the North and the South" at the fifth inter-Korean high-level talks is an affirmative development which opened a new phase of dialogue to solve the reunification question, breaking with the miserable history of past dialogues which killed time with unnecessary argument, said Chang Chae-chol, chairman of the Central Committee of the Korean Catholics Association, in a statement to the press Tuesday.

It is an epoch-making event which made a breakthrough in accomplishing the cause of national reunification, the cherished desire of the nation, in an independent way with internal efforts of the nation, he added.

The adoption of the agreement does not mean that peace will come of itself or it will lead to reunification by itself, he noted, and said: From now on, the two sides must show their practical will to carry the agreement into effect so as to bring a real detente and promote reunification.

The chairman said the South Korean authorities, a signatory to the agreement, should take a right stand to honestly fulfil its provisions announced before the nation and show it in action.

They must unconditionally cancel the "Team Spirit 92" joint military exercises they plan to stage together with outside forces from February of next year and immediately release all patriotic visitors to the North, who are imprisoned on unreasonable charges, according to the spirit of the agreement, he stressed.

Literary Union Leader Welcomes N-S Agreement

SK2712093991 Pyongyang KCNA in English 0813 GMT 27 Dec 91

[Text] Pyongyang December 27 (KCNA)—Paek In-chun, chairman of the Central Committee of the General Federation of the Unions of Literature and Art of Korea, in a statement December 26 warmly welcomed and supported the inter-Korean agreement, regarding it as a joint program for North-South reconciliation, detente and yeunification which reflects the urgent desire and will of the 70 million Koreans to reunify the country in the 1990s and live in harmony in a unified country.

Our writers and artistes warmly welcome the "agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South" not only because an important agreement was adopted at a long interval in the North-South dialogue but also because it opened a broad way of cooperation and exchange in literature and art as well as the removal of the political and military confrontation, Paek In-chun noted, and continued:

If acts differ from the agreement, it will be impossible to properly implement the provisions of the agreement and it will cause new distrust and aggravate the confrontation between the North and the South.

The South Korean authorities must, first of all, unconditionally give up the "Team Spirit 92" joint military exercises they plan to stage in South Korea together with outside forces early next year.

Communique of SPA, Central People's Committee

CM2712124091 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 26 Dec 91

[Communique on Joint Meeting of Central People's Committee and Standing Committee of DPRK Supreme People's Assembly issued on 27 Dec]

[Text] A joint meeting of the Central People's Committee and the Standing Committee of the DPRK Supreme People's Assembly [SPA] was held in Pyongyang on December 26, 1991.

It was attended by the members of the Central People's Committee and the Standing Committee of the SPA of the DPRK.

It deliberated on "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" adopted at the fifth inter-Korean high-level talks.

It noted with high appreciation that the agreement was a historical document of epoch-making significance in achieving national reconciliation, preventing infringement and conflict by armed forces, and ensuring detente and peace by dispelling the state of political and military confrontation between the North and the South; in promoting the common interests and prosperity of the nation by realizing multi-faceted cooperation and exchange; and in accelerating the peaceful reunification of the country.

It pointed out that the agreement adopted at the fifth inter-Korean high-level talks embodies the three principles of national reunification—independence, peaceful reunification and great national unity—laid down by the great leader Comrade Kim Il-song long ago, and is run through with the line of one Korea, the line of reunification, the line against war and for peace, and the line of independence against outside forces consistently maintained by the Workers' Party of Korea and the DPRK Government.

The joint meeting said that with the adoption and publication of the inter-Korean agreement the keynote of which is nonaggression this time, a new breakthrough has made in easing the acute tension between the North and the South, removing the danger of a new war and ensuring a durable peace of the country.

The North and the South in the joint agreement each promised to reconcile themselves to each other, refraining from confrontation and competition, and to realise cooperation and exchange in the political, military, economic, cultural and other fields, thus laying a foundation to promote national unity and achieve a unified development of the country and its prosperity and development. The joint meeting also stressed creating a realistic possibility for opening an epoch-making phase for the independent and peaceful reunification of the country, and added:

The adoption and publication of "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" is the first historical event since the publication of the July 4 joint statement; it is an impetus powerfully encouraging the whole nation to a nationwide movement to accelerate the reunification in the 1990's.

The joint meeting approved the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South," considering that it reflects the desire of the whole nation for the country's peace and its independent and peaceful reunification, and accords with the cause of peace in Asia and the rest of the world.

25th Anniversary of Kim Il-song Work Marked

SK2612110091 Pyongyang KCNA in English 1020 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—A national scientific and experience symposium of officials in the domain of pre-school education was held today at the Grand People's Study House here to mark the 25th anniversary of the publication of "*The Communist Education and Upbringing of Children Is an Honourable Revolutionary Duty of Nursery School and Kindergarten Teachers,*" (October 20, 1966) a classical work of the great leader President Kim Il-song.

President Kim Il-song in the work gave scientific answers to theoretical and practical questions arising in the communist education and upbringing of children.

Successes made in kindergarten education in our country and experiences of their teachers over the last 25 years since the publication of the work were made public at the symposium.

The speakers noted that over the last period teachers have mastered the teaching methods of different subjects based on the principles of child psychology and preschool pedagogy and they have developed educational work to suit the age and psychological character of children.

The speakers elaborated on the experiences in bringing up pre- school children heathily and sturdily through nutritive care.

They swapped experiences in correctly establishing the guidance system of kindergartens, improving their guidance and making and using teaching materials necessary for kindergartens to suit pedagogical needs.

Anniversary of Kim Chong-il Reply Letter Marked

SK2612111891 Pyongyang KCNA in English 1032 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—A meeting was held here today on the lapse of one year since the dear leader Comrade Kim Chong-il sent a historic reply letter to the staff of the Korean Literary Production on December 27, 1990.

After reading a letter from the poets of the production expressing their determination to bring about an upswing in writing poems, Comrade Kim Chong-il sent them the following reply letter:

"To all comrades of the Korean Literary Production,
A happy new year.
I hope that you will be eternal companions, faithful helpers and good advisers in the building and activity of our party.
[Signed] Kim Chong-il. [Dated] December 27, 1990."

Kim Pyong-hun, director of the Korean Literature Production, made a report at the meeting.

The reporter said this immortal reply letter of the dear leader embodies the chuche idea, the man-centred philosophy which regards not only the writers but also the intellectuals of the country as an important component of our revolution, and carries his noble intention to give honour to them.

The dear leader clarified the social position and role of the intellectuals on the highest level and defined the writers as revolutionary socio-political activists sincerely assisting the party from a position befitting the master, not as objective onlooker to the execution of the party policy, the reporter noted, and added:

Thanks to this trust of our party in the intellectuals, unprecedented achievements have been made in the production of literary works over the last year.

All the writers should produce more new works so as to repay with loyalty the trust of our party which regards them as eternal companions, faithful helpers and good advisers.

History of Workers Party of Korea Published

SK2512104091 Pyongyang KCNA in English 1012 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The Workers' Party of Korea [WPK] Publishing House recently brought out "*History of the Workers' Party of Korea*" compiled by the party history institute of the C.C. [Central Committee], the WPK.

The book with eleven chapters gives a comprehensive systematization of the building of the WPK.

The first four chapters recall that the glorious roots of the WPK began to strike themselves with the start of the revolutionary cause of chuche some 60 years ago and in the course of the heroic anti-Japanese revolutionary struggle, the work of laying the organisational and ideological foundation for founding the party was completed and the brilliant revolutionary traditions of the WPK were established.

From the fifth to eighth chapters it deals with the founding of the WPK, its strengthening into a mass party and the history of its victorious guidance of the building of a new democratic Korea, the fatherland liberation war, the postwar rehabilitation and construction and the building of the foundation of socialism.

The 9th to 11th chapters stress that the WPK has strengthened into an invincible revolutionary party which is singleheartedly united on the basis of the monolithic ideological system and a proud party which brilliantly solved the problem of the successor to the political leader and firmly ensured the continuity of the leadership and that the WPK has wisely guided the endeavours to model the whole society on the chuche idea, promote the complete victory of socialism and national reunification and realise independence throughout the world.

Workers Party Thanks Kumya County Agitators

SK2412001091 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 19 Dec 91

[Text] A Workers Party of Korea [WPK] Central Committee thank-you message was delivered to the exemplary agricultural agitators of Kumya County.

Upholding the party's agricultural policy, the county's agricultural agitators vigorously carried out agitation work for agricultural workers and actively motivated them to produce much compost. Thereby, they greatly contributed to increasing the yield of food grain crops.

Agricultural agitators of the county consolidated their resolve to strenuously spur the agricultural workers to cut grass at the forefront of the masses of people and vigorously started to do this, following the example of agitator Cho Myung-sik of Chinsong-ri, who actively mobilized the county's agricultural workers and achieved enormous compost production. Therefore, they achieved a successful result of cutting grasses amounting 430,000 tons or so in the county last year.

Even after the grass-cutting season, agricultural agitators of Kumya County looked for sources of manure by digging into fields along the shores of inlets and locating humus soil and compost. They produced much ready-to-use fertilizer. In fall, they helped agricultural workers harvest without dropping a single grain.

The dear leader Comrade Kim Chong-il highly assessed the struggle activities of the agricultural agitators of Kumya County to implement the party's agricultural policy and showed great trust in them.

A resolution meeting of the agitators of Kumya County to repay with faithfulness the WPK Central Committee thank-you message was held on the spot on 18 December. Functionaries concerned participated in the meeting with the agitators and workers of the county. The WPK Central Committee thank-you message [words indistinct] was delivered to the warm applause of the participants.

A report by Chang Sin-yong, secretary of South Hamgyong Provincial Party Committee, was followed by debates by agitator Cho Myong-sik of Chinsong cooperative farm; agitator Choe Myong-hui of Yongpung cooperative farm; Chang Tok-sun of Sahyon cooperative farm; agitator Kim Hwa-ran of Kidan cooperative farm; and agitator Choe Hyun-sik of Pongun cooperative farm to express their resolve.

The speaker and debaters pointed out that the dear leader Kim Chong-il showed great consideration on 20 November to the exemplary agitators of Kumya County who followed the example shown by Cho Myong-sik, agitator of Chinsong-ri, Kumya County, who led by personal example in cutting grass and in locating manure to implement the party's agricultural policy. They said this was an expression of the dear leader's great political trust and love for all the agitators of Kumya County.

The speaker and debaters said that all the county's agitators will deeply remember today's honor and exert themselves more strenuously to repay the party's great trust and expectation with wholehearted faithfulness.

Agitators are resolute supporters, active propaganda agents, and thorough consummators of our party policy. The speaker and debaters pointed out that agitators should study and master the great leader's teaching and its embodiment and party policy at every stage, timely explain and propagate it to agricultural workers, and actively carry out agitation work to spur the masses of people to thoroughly implement the party policy of giving top priority to farming. They said that agitators should be vanguards to lead agricultural workers in struggling to implement the teaching on increasing agricultural production in South Hamgyong Province that the great leader gave during his recent on-the-spot guidance in the province. They also talked about their will to complete their role as agitators to contribute to farming effectively and energetically by cutting more grass and increasing the production rate and by enhancing soil fertility, following comrade Cho Myong-sik, who showed exemplary faithfulness to the party and leader.

The speaker and debaters emphasized that all the county's agitators should keep the faithfulness to the party and leader as the revolutionary faith and ethic and should launch the agitation work more aggressively so as to achieve an unprecedented bumper crop next year and to become true agricultural agitators supporting our party in the 1990's.

A resolution was adopted at the meeting. In the resolution, the participants resolved to contribute to celebrating the meaningful next year with a bumper harvest of all crops by leading through personal example through agitation work. They appealed to all agricultural agitators throughout the country to come to the forefront in implementing the party's agricultural policy.

Daily Views Socialist Economic Management System

SK2112122391 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 14 Dec 91

[NODONG SINMUN 14 December special article: "Our Party's Great Pride Is That the Socialist Economic Management Issue Was Brilliantly Resolved"]

[Text] Under the banner of the chuche idea, our party is brilliantly pioneering a totally new path towards communism. In this road, our party has made great achievements in contributing to fulfilling the socialist cause. One of the achievements which occupies an important position here is that the difficult and complicated issue in socialist economic management was brilliantly resolved.

Thirty years ago, the great leader Comrade Kim Il-song created the Taean work system and brilliantly resolved a key issue for the victorious advance in the socialist cause.

Today in our country socialism is being victoriously advanced without the slightest twists and turns. This is because from the early days, the great leader established a superior work system to manage and operate the socialist economy which is in accordance with its inherent nature.

Our party members and working people who are welcoming the 30th anniversary of the founding of the Taean work system, are deeply cherishing in their hearts the immortal achievement of the respected and beloved leader who opened a new atmosphere in the socialist economic management.

The chuche economic management system based on the Taean work system is being firmly advocated and adhered to by our party, and is being succeeded and developed in accordance with the demand of the developing reality. The future of socialism of our own style is firmly guaranteed because of the wise leadership of the party and the leader that brilliantly resolve the socialist economic management issue in conformity with the socialist principle.

1. The great leader Comrade Kim Il-song pioneered the road for socialist economic management centered on the popular masses. This is a revolutionary event which brilliantly resolved important pressing issues in carrying out the socialist and communist cause.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau and secretary of the party Central Committee has taught: The historic task of resolving the guidance and management issue in accordance with the intrinsic demand of the socialist society was finally brilliantly resolved because the great leader created the chuche leadership method and a new economic management system.

Carrying out the economic guidance and management well is an important work which has pivotal significance in advocating, adhering to, developing, and completing the overall socialist system including the socialist economic system. Finding out what should be centered on the economic guidance and management and how this should be carried out is not simply an issue related to economic development but a life-or-death issue related to the fate of the socialist system.

If economic management is carried out centered on the popular masses through the socialist method, the socialist ownership system and the planned economic system can be consolidated and developed, but if the economic management is carried out centered on profit through the capitalist method, it will result in the collapse of the socialist economic system.

Economy and politics are closely linked. Socialist economic management must be realized in accordance with the inherent socialist nature. By doing so the socialist economic system can be consolidated and developed, and the overall socialist system including the political system can be consolidated and developed according to the socialist road.

Socialism gets rid of the old economic management order and demands that a new economic management method suitable to socialism be created. The socialist system does not develop in the womb of capitalism but is newly born and developed on the soil where it is buried. Therefore, managing and operating a socialist society must be carried out, not through the capitalist method, but through a new method which is in accordance with the intrinsic demand of the socialist society.

When recollecting the socialist construction history, many capitalist vestiges remained in the management of the socialist society of the past. This was manifested in the state management method which had many bureaucratic elements, in the economic management method which put material incentive as its basis, and in the enterprise management method which is carried out in accordance with the single management system by the manager. A historical task that can no longer be delayed is the fact that this kind of old guidance and management method must be abolished and a guidance and management method which is in conformity with the inherent nature of socialism created.

The way of realizing economic management which accords with the inherent nature of the socialist society is to establish an economic management system which makes it possible to demonstrate the collectivist might of all of the popular masses, placing them at the center. The master of the socialist society is precisely the popular masses, and the strength which inspires socialist economic construction also comes from the popular masses. To realize economic management under which the popular masses become the master, it is imperative to create an original form of communist economic management.

In the early part of the sixties when the socialist system was established and the overall technological reconstruction of the national economy was pushed ahead in our country the great leader created the Taean work system by embodying the Chongsan-ri spirit and the Chongsan-ri method and extensively established the popular masses-centered economic management system by generalizing the principle of the Taean system in all sectors of the national economy.

The creation of the Taean work system by the great leader was a historic change which opened the start of the socialist, communist economic management centered on the popular masses for the first time in history. The Taean work system is in essence an economic management system which solves the problems arising in economic management, placing the popular masses at the center. In other words, the Taean work system is not only a work system under which economic management serves the realization of the independent interests and demands of the popular masses, but is also the work system which makes it possible to fulfill economic tasks by educating and mobilizing the popular masses and to strengthen the popular masses' unity and cooperation.

The Taean work system sees to it that the popular masses implement the revolutionary mass line under the party's leadership and that they, thus, become the actual masters in economic management. Herein lies the inherent nature of the Taean work system and the basic source of its superiorirty. Having opened the beginning of economic management centered on the popular masses is synonymous with opening a new road in the management of the socialist economy. Whether emphasis is placed on the people, that is, the popular masses or on materials and profits is the starting point which sorts out the socialist road and the capitalist road in the economic management.

The economic management centered on the popular masses protects the popular masses' interests and leads the popular masses to demonstrate their collectivist might, thereby enhancing the superiority of socialism. To the contrary, the economic management centered on materials and profits furthers such old ideological dregs as individualism, egoism, and particularism, thereby hindering the advance of socialism.

Indeed, stressing the superior socialist economic management centered on the popular masses and brilliantly inheriting and developing it is precisely the great achievement registered by our party in the implementation of the socialist, communist cause. The greatness of the achievements of the party and the leader in brilliantly solving the problem of the socialist economic management centered on the popular masses lies above all in that the party and the leader have elucidated the basic principle of the socialist economic management centered on the popular masses.

The basic principle of economic management is the basic principle of how the economy should be managed and operated, and this elucidates the general purpose and direction of economic management. The basic principle of the socialist economy is the basis and starting point which prescribe the principle, system, and method of the economic management. To correctly manage and operate the socialist economy in conformity with the inherent nature of the socialist system, it imperative first of all to correctly explain the basic principle of the socialist economy. Otherwise, the economic management system and method cannot be established in conformity with the inherent nature of the socialist system and, furthermore, socialist economic management cannot be carried out in the direction of consolidating and developing the socialist system.

As elucidated by the dear Comrade Kim Chong-il, the basic principle of the socialist economic management is to lead the popular masses to become genuine masters in the development of the economy. In other words, the basic principle of socialist economic management is to see to it that the popular masses actually exercise the right as master in economic management and perform their responsibility and role with the attitude of being the master in economic management.

Whether we lead the popular masses to play the role of master in production and management activities or not is precisely the basic problem which determines success in economic construction and the destiny of the socialist system. The popular masses become the master in economic management because they are the masters of the state and the means of production. However, this does not mean that they themselves perform responsibility and role as master. This depends on the economic management system and method.

Only when the economic management in which the popular masses actually become the master is carried out can production and management become the popular masses' work and socialism firmly take roots among the popular masses in the domain of economic life. When the popular masses become the genuine master of economic management, the economy of the country can form a productive organism and make rapid development, displaying the might of comradely cooperation and unity.

As elucidated by our party, to make the popular masses the genuine master of economic management, it is imperative to prescribe anew the function of socialist economic management, placing the popular masses at the center. Placing the popular masses at the center the function of socialist economic management should become not only the function which serves the realization of the economic interests and demands of the popular masses, but also the function which organizes, mobilizes, and activates the masses' voluntariness, as well as, the function which strengthens comradely unity and cooperation.

Our party clarified the basic principles which should be adhered to without fail in managing the economy in conformity with the fundamental principle of socialist economic management, the principle of managing and operating the economy with the popular masses as the center. The basic principle of socialist economic management elucidated by the great leader is to correctly combine political guidance with economic and technological guidance, unified guidance by the state with the initiative of each unit, democracy with unitary direction, and political and moral incentives with material incentives.

The fundamental principles of socialist economic management that our party has elucidated are the revolutionary principles which make it possible to defend the revolutionary principles of the working class in managing the economy and to scientifically and reasonably manage and operate the economy in conformity with the inherent demands of the socialist system. That the principles of economic management centered on the popular masses have been elucidated by our party for the first time in history constitutes the brilliant pioneering of the road of the most correct socialist economic management which makes it possible to faithfully serve the popular masses and to highly enhance the creative role of the popular masses.

Another greatness of the achievements of the party and the leader in brilliantly solving the problem of socialist economic management is that they created the unique socialist economic management system centered on the popular masses.

As indicated by the comrade leader, the economic management system means the work system and the management organ system to organize and guide the economic activity of the country. To carry out the economic management centered on the popular masses it is imperative to establish the work system and the management in which the popular masses actually participate in economic management with the attitude of being the master.

Under the old economic management system in which management was carried out through a unitary manager's management system, mangers carried out their economic management in a subjective and arbitrary way. To carry out economic management centered on the popular masses it is imperative to establish the economic management system under which collective management by the producer masses is guaranteed. The collective management by the producer masses can be guaranteed only when it is combined with the party's leadership.

This type of management has been brilliantly solved in our country with the creation of the Taean work system under which the economy is managed and operated under the collective guidance of the party committees in lieu of enterprise management through a unitary manager's management system.

The Taean work system which has embodied the chuche idea and the revolutionary mass line based on the chuche idea is a unique economic management system which has combined the party's unitary leadership in economic management and the state's centralized and planned guidance with the mass line. This economic management system is a work system with the collective guidance of the party committees as the core. It is also a work system which makes it possible to maintain a rational level of production by managing and operating the econmomy in a well-planned way, the upper side helping the lower side with priority given to political work, correctly combining science and technology with production and making effective use of the economic lever.

The Taean work system not only strengthens party and political guidance and the state's planned guidance, but also thoroughly embodies the revolutionary principle of the working class and the inherent demands of the socialist system. Therefore, the Taean work system is a model of the socialist and communist economic management form and is the ideal economic management system which accords with socialism of today, but also communism of tomorrow.

The greatness of the achievements of the party and the leader in brilliantly solving the problem of socialist economic management is that they have created a collectivist economic management method which makes it possible to enhance the popular masses' creative ability. To realize the economic management centered on the popular masses it is imperative to effect a change in the economic management method.

In the economic management with materials as the main factor, the economic management method with priority given only to economic and technological guidance, administrative method, and material incentive are used. To realize economic management centered on the people, it is imperative not only to embody the collectivist management method which leads the producer masses to become common masters, but also to use the management method which explains and persuades the masses.

Our party has clarified that all economic management methods applied to socialist economic management should be socialist methods, that is, collectivist methods. The principle of application of socialist economic management methods is to give priority to realizing the demands of social groups, while realizing the demands of individuals, and to enhance the initiative of all members of social groups with unity and cooperation as the main factor. In socialist economic management, collectivism should be promoted and developed. For this end, all wrong economic management methods which foster individualism should be thoroughly removed.

Our party embodies political method, economic and technological method, and administrative and organizational method in managing and operating the socialist economy. Here, our party gives priority to political method and firmly adheres to the principle of correctly combining it with economic and technological method and administrative and organizational method.

The elucidation of the basic principle of socialist economic management centered on the popular masses and the creation of the chuche-oriented economic management system and method which has embodied this basic principle are the historic merits which are of immortal significance in developing the revolutionary theory of communism and in achieving the cause of socialism, communism. This immortal achievement will be further glorified along with the victorious advance of the socialist cause of our times.

2. The chuche-type economic management system based on the Taean work system is displaying a great vitality in consolidating and developing socialism of our own style and highly manifesting its superiority.

Comrade Kim Chong-il, member of the Presidium of the WPK Central Committee Political Bureau and secretary of the party Central Committee has taught: Under the wise leadership of the party and the leader, our country is most correctly resolving the socialist economic management issue. Therefore, our country is wholly displaying the inherent superiority of the socialist economic system.

An intense struggle is being carried out between socialism and capitalism today. The imperialists are viciously carrying out maneuvers to oppose socialism and especially they are aiming the brunt of their attack at countries which are advancing by highly upholding the banner of socialism.

Under this kind of environment, socialism of our own style is pressing hard on the heels of the enemy without the slightest wavering. This is mainly because the chuche economic management system established by our party plays a powerful function in consolidating and developing the socialist society.

The history from the time of the establishment of the chuche-type economic management system up till now was a path which vigorously demonstrated in our country that this work system is indeed a strong and mighty weapon in advocating, adhering to, and consolidating and developing socialism.

The might of the economic management system centered on the popular masses which is being manifested in the road to consolidate and develop socialism, most of all lies in the fact that it is possible to markedly strengthen the party's political leadership over socialist economic construction.

The most important yardstick in determining the superiority and vitality of the socialist economic management system lies in how to strengthen the party's political leadership over economic management. The party's leadership is the life of socialism and a life line of socialist economic management. Only under the party's leadership can socialism be firmly advocated and adhered to, and economic management centered on the popular masses be guaranteed.

The party's political leadership must be strengthened so that economic management can be realized in accordance with the inherent nature of the socialist system, and highly manifest creative ability by making the popular masses conscious and organized.

In economic management, the party's political leadership is an indispensable demand in adhering to and embodying the revolutionary principle. The political leadership must be firmly guaranteed so that capitalistic elements and all kinds of leftist and rightist can be thoroughly overcome in economic management, and advocate, adhere to, and endlessly consolidate and develop the socialist economic system based on collectivism.

The socialist economic management system established in our country makes it possible to strengthen the party's political leadership, thus making it possible to strongly accelerate socialist construction.

In our people's economy, the collective guidance of the party committee is thoroughly realized everywhere making it possible to sufficiently manifest the popular masses' intention and creative wisdom in economic management. Therefore, the party's determination and intention should go straight down to the lower echelon; all management operation work is being carried out according to the line and policy put forth by the party; and in conformity with the masses' strength and wisdom, the party's policy is being thoroughly fulfilled.

During the past, all the party's policies extending from the basic line of the socialist economic construction to the pressing task of improving the people's lives were thoroughly fulfilled because this was unthinkable without the work system to strengthen the party's leadership.

Reality clearly shows that the chuche-type economic management system is indeed the most correct guiding system which resolutely advocates and thoroughly realizes the political purpose put forth by the party and the popular masses' independent demand and interest.

The might of the chuche-type economic management system which is being manifested in consolidating and developing socialism also lies in highly displaying the collectivist spirit and trait among the working people throughout the whole nation.

The great leader Comrade Kim Il-song has taught: Our work system is a system which makes it possible for our people to work in a communist way and to live in a communist way.

The solidity and invincibility of socialism lies in highly manifesting the collectivist spirit among the popular masses who are the master of society. An important yardstick in determining whether collectivism is being manifested or individualism is being fostered lies in whether the superiority and vitality of the socialist economic management can be manifested.

The superiority of socialism is the superiority of collectivism, and the most dangerous toxin in dissolving socialism is egoism and liberalism. Egoism makes people become human trash who only know money and are slaves to desire like an animal. It also makes the people blind to their own interests with no appreciation for the fatherland or people, thus, making them become vulgar persons. If egoism is fostered, a sound social order and moral trait will be destroyed and an unhealthy life style will be prevalent.

An important issue that is put forth is to determine what kind of economic management should be carried out to overfill only the collectivist spirit in a socialist society. The chuche-type economic management system magnificently embodies the collectivist principle of one for all, all for one, and is a communistic economic management form which strengthens comradely cooperation and unity.

From the early days, the great leader said that if the people are aware of only money they cannot move toward communism. Furthermore, he established a communistic economic management system and regarded the political method as the most important method, thus making the people combine this with the economic and technological method.

Therefore, it indoctrinated the masses in the economic management system of our own style. Also, functions such as the function to indoctrinate, organize, and mobilize the masses in motivating their voluntarism and the function to strengthen comradely cooperation and unity became important functions of economic management. In conformity with this, it was possible to carry out the work well to indoctrinate and remold the people in a communist way and highly manifest the virtue of unity and cooperation.

Especially, in conformity with the chuche-type economic management system which gives priority to political work, the working people in our country are highly displaying the spirit of devotedly serving the party, revolution, fatherland, and people. By doing so, it was possible for the whole group to live and struggle by helping and guiding each other and sharing each other's fate. This was not carried out in an egoistic way.

Under the Taean work system, our working people today regard the party as the root of their lives; bear in mind that fighting by sacrificing their lives for the party and the leader is the most worthwhile honor in life; and all members of society become the common master and revolutionary comrade of the nation and society, thus wholeheartedly advancing the lofty ideal along the one road of socialism.

The people today are living and displaying the feat according to the demand of the slogan, "What the party decides, we will do," and "Let us all live and struggle in a heroic way." This reality is a result of having established the revolutionary economic management system and of having thoroughly embodied this. This cannot, by any means, be thought about through the capitalistic economic management method which promotes egoism or the economic management system which possesses a large number of its vestiges.

The might and vitality of the socialist economic management system of our own style centered on the popular masses also lies in vigorously accelerating the socialist economic construction. The function of economic management is to command the people in their economic activities to realize economic purposes. Therefore, its might directly appear in accelerating economic construction.

If the economic management is to manifest its might in accelerating socialist economic construction, the inherent superiority of the socialist economic system must be manifested. The superiority of the socialist economic system is a collectivist might which highly manifests the voluntary enthusiasm of all the popular masses, and a might of the planned economy which mobilizes and uses in a unified way all the nation's resources.

The economic management system centered on the popular masses highly manifests the might of the socialist economic system. This was wholly confirmed through practice.

From the period of the establishment of the Taean work system up until now, truly many difficult and enormous tasks were presented for our people's economy. Nevertheless, our nation's people's economy was vigorously advanced through the spirit of the speed battle joined to the Chollima, and in today's great socialist construction, endless upsurges are being achieved.

Our country's socialist construction is being carried out in a very disadvantageous environment where we are standing face to face with the enemy. This is bringing about endless barriers in economic construction. Nevertheless, since there is a superior economic management system based on the Taean work system, the prospective plan in developing the people's economy which was carried out on several occasions was successfully implemented, and under the slogan of self-reliance it was possible to vigorously accelerate the economic construction work.

Experience confirms that the chuche economic management system vigorously pushes forward socialist economic construction and has become an unequalled mighty weapon for solidifying and developing the socialist planned economic system and ownership system. The socialist economic management system centered on the popular masses and conforming to the nature of the socialist system will display greater might and vitality with each passing day because of its justness and truthfulness.

3. Our party is wisely leading the cause of developing and completing socialist society by defending, adhering to, and thoroughly embodying the chuche socialist economic system.

The problem of socialist economic management affects the future of socialist society. It is a serious problem directly influencing the development and completion of socialist society. While it is important, in developing and completing socialist society, to establish an economic management system which conforms to the nature of socialist system, it is no less important to defend and adhere to it and thoroughly embody it in conformity with developing reality. Reality changes and develops continuously, and in the course of advance, many new unexpected problems emerge.

Even after establishing a superior socialist economic management system, we should carry out the work to defend, adhere to, and thoroughly embody it so that we can prevent elements irrelevant to socialism from intervening in economic management work and can solve well the problem of economic management in conformity with the socialist demand and to the end.

The work of defending, adhering to, and embodying the socialist economic management system can only be successfully resolved by the revolutionary leadership of the working-class party. This is where the greatness of the ruling party, which is building socialism, is importantly demonstrated.

Our party has been exercising its leadership so that the chuche economic management system created by the great leader Comrade Kim Il-song can be implemented according to the principles of chuche socialist economic management. Comrade Kim Chong-il, member of the Presidium of the Political Bureau and member of the WPK Central Committee, has noted: We should have great pride and self-respect in the socialist economic management system of our own style based on the great Taean work system. We should resolutely defend and thoroughly implement the Taean work system, the chuche socialist economic management system, without perturbation no matter what wind may blow.

The important aspect in the leadership of our party which defends, adheres to, develops, and completes the popular mass-oriented socialist economic management system, is that it systematizes the chuche socialist economic management theory monolithically and deepens and develops it.

The work to solve the problem of economic management should thoroughly be conducted on the scientific ideological and theoretical basis. The superiority and justness of the socialist economic management system of our own style is that it is established on the most scientific and theoretical basis elucidated by the chuche idea.

The chuche socialist economic management theory elucidates the correct way to solve the problem of economic management based on the scientific clarification of the inevitability of building popular mass-centered socialist and communist society and the essence of the socialist economic management. The great leader set the basic strategy for occupying the political and ideological fortress, as well as the material fortress, of communism. Starting from this strategy and the natural demand of socialist system, he set the direction and principles of solving the problem of socialist economic management.

Because the great leader clarified the scientific and original economic management ideology on realizing that the economic management has much of the masses-based economic management and many communist elements, the problem of socialist economic management can be solved successfully without the slightest vicissitudes or deviation.

The chuche economic management theory has been developed and enriched by the dear leader Comrade Kim Chong-il. The works produced by the dear leader comrade profoundly clarify the chuche economic management theory and elucidate the ways to defend and adhere to the chuche economic management system in conformity with the demand of the development and completion of socialist society.

These works elucidate that the chuche socialist economic management theory is a popular mass-centered economic management theory. They profoundly advance the basic principle of socialist economic management, which constitutes an important content of the theory, and the theory on the economic management system and on the economic management method.

As the result, the chuche socialist economic management theory has been systematized in a monolithic manner and has been further developed and enriched.

As for the economic management issue of displaying the superiority of socialism and developing and perfecting the socialist society, our party has extensively elucidated the economic management theory corresponding to this. Therefore, the popular mass-centered economic management has been successfully implemented in our country based on scientific guidelines.

Our party, which is safeguarding and defending the popular mass-centered socialist economic management system, is also firmly maintaining principle and consistency in economic management according to the principle and method of chuche socialist economic management throughout the entire period of socialist construction.

Maintaining principle and consistency in resolving the issues of socialist economic management is a firm guarantee for constantly consolidating and developing the socialist system and for displaying its superiority.

The issue of maintaining principle and consistency is further important, because difficult and complex problems are constantly raised on the road of managing and operating the socialist economy.

From the outset, the socialist economic management is the work to move numerous economic units and several hundred million people throughout the nation as one. Thus, it is very difficult work. Furthermore, the socialist society—a transitional society—has a transitional nature as well as a communist nature. As a result, preventing even a minor deviation from occurring in resolving the economic issues emerged as a serious question.

Socialism should attain the economic and technological progress that capitalism has reached after several hundred years in a very short period of time at an exceedingly high speed. This progress should be realized despite the condition in which the imperialists' various hindrance maneuvers are persistently perpetrated. However, our nation has successfully resolved this without even a single mistake or deviation in resolving the issue of economic management, because our party has consistently adhered to basic principle in the socialist economic management and to the economic management system established by the great leader. Our party has firmly maintained these without a slight degree of wavering no matter what wind blew.

In the firm belief that only the chuche economic management system is unique, just, and the most powerful weapon for highly display socialism's superiority, our party has tenaciously safeguarded and defended the chuche economic management system no matter what wind blew.

In particular, our party saw to it that economic categories [kyongjejok pomju] and economic leverage, which were linked with the transitional nature as well as the communist nature, are effectively utilized without minor deviation, and that production is effectively combined with science and technology in compliance with the practical situation in which the national economy's modernization and scientization are being pushed ahead. Our party saw to it that the scientific management method is embodied so that the Taean work system can demonstrate greater strength.

A number of difficult and complex problems were raised in the course of our nation's socialist construction, which advanced rapidly. However, our party adhered to the position that difficulties on the road of socialist construction can be overcome only by socialist methods and that such difficulties should be overcome by all means. Proceeding from such a revolutionary position, our party led the people so that the chuche economic management method was more thoroughly embodied.

Because of our party's consistent leadership based on principle, the socialist economic management system, the planned economic system and the rural economic system based on socialist collective ownership have been firmly adhered to in our country, and their superiority has been highly displayed. Because of our party's revolutionary leadership, which helps solve all problems, including production, distribution, management, and ownership, in always consolidating socialism, the socialism of our own style has been developed and completed in all circumstances and has been displaying its great vitality.

Our party, which is defending and maintaining the chuche-oriented socialist economic management system, gives top priority to helping party and state economic guidance officials possess revolutionary work methods and enhance their levels of guidance. The work of defending and maintaining the socialist economic management system can be firmly guaranteed only by a struggle to display this system's superiority.

No matter how superior an economic management system may be, its superiority cannot be displayed appropriately without positive and conscious efforts to display it. What greatly affects the work of displaying the superiority of an economic management system is the work method of officials involved and their performance. The popular masses-centered socialist economic management system calls on officials to have a firm mass view and the revolutionary work method of sincerely serving the popular masses. Therefore, our party is waging a struggle to highly display the superiority of the popular masses-centered economic management system and to thoroughly implement the revolutionary mass line. Our party ensures that as demanded by the Chongsan-ri spirit, all officials go among the masses, give priority to political work, share life and death with them, and solve all the problems with them.

The popular masses-centered socialist economic management system is incompatible with bureaucratism, subjectivism, [word indistinct], and other methods of rule in outdated societies. Therefore, our party, in carrying out the work of implementing the Chongsan-ri method and the Taean work system, has persistently waged a struggle to overcome bureaucratism and other incorrect work methods and work styles and has ensured that no similar methods or styles emerge.

Considering the great leader's teaching—that going among the masses is like having tonics and that being bureaucratic is like having toxins—to be its guideline, our party has persistently waged a struggle to establish a revolutionary work method among the officials. As a result, the superiority of the popular masses-centered economic management system has been highly displayed.

Recalling the past 30 years in which the Taean work system has been implemented, our party members and workers are discussing the wisdom of our party's leadership in which our party leads the officials to work like the people's genuine servants and to build socialism devoid of bureaucratism under the slogan of working only according to the great leader's work style method and serving the people. Working under the leadership of the great party, which established a superior economic management system and is glorifying it, is our people's great pride.

The future of our socialist economic system and popular masses-centered socialism is guaranteed firmly, because of the party's and leader's most correct leadership, because of the great chuche-oriented economic management system, and because this system has taken full root. Taking great pride in having the most superior socialist economic management system, boundlessly treasuring it, and steadfastly defending and implementing it, is our people's rock-firm will.

Defending and maintaining the Taean work system is the honorable work of maintaining and glorifying the immortal achievements of the party and the leader. No matter how many years may pass, we, deeply perceiving how great are the achievements of our party and leader, who established the popular masses-centered socialist economic management system for the first time in history, and how wise their leadership is, will eternally and steadfastly implement this work system.

South Korea

Envoy Views Upcoming Bush Visit, Security Ties

SK2712021191 Seoul YONHAP in English 0135 GMT 27 Dec 91

[Text] Washington, Dec. 26 (YONHAP)—U.S. President George Bush will assure South Korea that the United States and Japan would not improve their relations with North Korea unless Pyongyang abandoned its nuclear weapons program, South Korean Ambassador Hyon Hong-chu said Thursday.

Bush will also reaffirm the firm U.S. security commitment for South Korea and the U.S. policy of letting South and North Korea to settle their problems on the Korean peninsula when he visits South Korea Jan. 5-7, Hyon said.

In addition to these security-related issues, Bush is expected to press South Korea to open its market wider for U.S. exports and discuss South Korea's economic cooperation with Russia, Hyon said.

In a press conference with South Korean correspondents stationed here, the envoy said that although North Korea is showing a positive attitude on the nuclear issues at Thursday's meeting at Panmunjom, it is too early to predict a change in the United States' relations with Pyongyang.

Hyon said South Korea and the United States have not discussed nor set a time limit for North Korea to sign the nuclear safeguards agreement and allow outside inspection of its nuclear facilities.

But the two countries feel that time is running out for Pyongyang to take action since the international community would not sit idle if it fails to do so before the International Atomic Energy Agency (IAEA) convenes a meeting of governors in late February, Hyon said.

He added that South Korea would be forced to hold up the ratification of the agreement on reconciliation, nonaggression and cooperation and exchanges unless North Korea shows a positive response to the nuclear issue by mid-February when the 6th round of the inter-Korean prime ministers' talks are scheduled to be held in Pyongyang.

Independence of Russian Federation Recognized

SK2712030291 Seoul KBS-1 Radio Network in Korean 0200 GMT 27 Dec 91

[Text] The ROK Government today recognized the Russian Federation, which has succeeded the now-defunct Soviet Union, as an independent state.

Cho Won-il, a ROK Foreign Ministry spokesman, said that the ROK Government recognizes the Russian Federation, considering the fact that the 21 December meeting of Soviet republics in Alma-Ata established the Commonwealth of Independent States and that the Russian Federation is exercising the Soviet Union's rights and fulfilling the Soviet Union's duties in the international community.

He said that the ROK Embassy to the Soviet Union will become the ROK Embassy to the Russian Federation without going through the pertinent procedures. He noted that the ROK Government is considering recognizing the remaining 11 Soviet republics as independent states and establishing diplomatic relations with them.

No Tae-u, Mikhail Gorbachev Exchange Messages

SK2712090491 Seoul YONHAP in English 0850 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (YONHAP)—South Korean President No Tae-u and former Soviet President Mikhail Gorbachev have exchanged notes of gratitude and respect, and expressed a common hope for cooperative relations between Korea and the Commonwealth of Independent States, No's office said Friday.

Gorbachev, who resigned as Soviet president on Wednesday [25 December], sent a telegram to No Thursday expressing "gratitude and satisfaction for the fruitful cooperation" during the past years.

The nations established diplomatic relations on Sept. 30, 1990, in between three summit talks by the two presidents.

"Thus we have not only remade our relations, but have also considerably promoted the process of improvement of the overall situation on the Korean peninsula and in Northeast Asia. I am sure that the work we started will be continued in your relations with Russia and other states of the Commonwealth," Gorbachev said.

No said in a message cabled Friday that Gorbachev's understanding and cooperation had been most helpful in promoting peace and security on the Korean peninsula since they first met in San Francisco in June 1990.

Lauding Gorbachev as the man who brought freedom and reform to the Soviet people under the flags of perestroyka and glasnost since emerging as the Soviet leader in 1985, No said: "Now Korea and Russia and other states of the Commonwealth will witness the seeds of good-neighborly cooperation sown by President Gorbachev bear wonderful fruit."

Envoy Says Russia To Repay Loans to USSR

SK2612072891 Seoul YONHAP in English 0700 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—Ambassador Oleg Sokolov sought Thursday to assure South Korea that his new masters, the Russian Federation, would repay the billions of U.S. dollars that Korea lent to the deceased Soviet Union.

Sokolov, speaking through an interpreter, told reporters at the embassy, sporting the Russian tricolor on the staff where two days ago flew the hammer and sickle, that the federation would take over all the Soviet Union's international responsibilities and obligations.

He made no secret that Russia needed massive financial support and took great interest in whether Seoul would complete delivery of its 3-billion-dollar aid package as promised to Moscow.

Russia was determined to repay the loans but needed further discussion with Korea on how to do it, he said, implying that an alternative to hard currency was being sought. It had potential and was rich in natural resources it could use to guarantee repayment, Sokolov said.

Seoul has given 1 billion dollars in cash loans and promised an 800 million-dollar tied-loan by year's end.

Russia took almost 70 percent of the loans, he said.

The Russian and Korean governments would seek "a reasonable way" to implement the package and the leaders of the other members of the Commonwealth of Independent States would discuss how to distribute the remainder, he said.

Touching on North Korea's development of nuclear weapons, Sokolov said Russia respected the Nuclear Non-Proliferation Treaty and had to ask every signatory to the treaty to implement a nuclear safeguards accord with the International Atomic Energy Agency.

He said the mutual defense treaty between the Soviet Union and North Korea would be retained but noted it was signed under very different political conditions: for example, the Soviet Union and South Korea had no formal diplomatic relations at the time.

If Russian President Boris Yeltsin came to Seoul, it would be most likely next summer, he predicted.

Asked if he saw any change in bilateral relations next year due to Korea's presidential election, Sokholov said he thought it unlikely there would be much effect as the needs of the people took precedence.

YONHAP on Breakthrough in S-N Nuclear Talks

SK2612142391 Seoul YONHAP in English 1247 GMT 26 Dec 91

["News analysis" by Yi Tong-min]

[Text] Seoul, Dec. 26 (OANA-YONHAP)—South and North Korea broke through one major barrier thursday with Pyongyang's proposal to abandon nuclear reprocessing and uranium enrichment plants.

The proposal was what South Korea had wanted to hear all along. It is virtually an announcement by North Korea that it will not own these facilities, which in turn means it will not develop nuclear arms.

North Korea went further to say it has already notified the International Atomic Energy Agency (IAEA) of its intention to sign the nuclear safeguards accord, even specifying the date.

It did not tell South Korea when the date is, but indicated it plans to sign, ratify and implement the accord as soon as possible, officials here said.

The breakthrough came at Thursday's inter-Korean nuclear negotiations at the truce village of Panmunjom. The talks came just 13 days after Seoul and Pyongyang signed an agreement pledging reconciliation, nonaggression, exchanges and cooperation during the fifth round of South-North Korean prime ministers' meeting.

North Korea tabled a revised version of its draft declaration on the denuclearization of Korean peninsula that closely resembled South Korea's draft.

The new North Korean draft reflects South Korean demands that nuclear energy be used only for peaceful purposes, that both sides abandon nuclear reprocessing and enrichment plants, and that they establish a joint watchdog.

But there still remain stumbling blocks, and they are no minor ones.

North Korea's new proposal does not mention anything about opening its civilian or military facilities for simultaneous pilot inspection as suggested by South Korea.

Instead, it insists that Seoul and Pyongyang jointly verify withdrawal of U.S. nuclear weapons and removal of nuclear bases in the South.

North Korea also insists in including an article that says Seoul and Pyongyang will not conduct simulated nuclear war game in which nuclear weapons and equipment are mobilized on the Korean peninsula.

This article is aimed at getting South Korea to stop its annual military maneuver "Team Spirit" with the United States.

Yi Tong-pok, spokesman for the South Korean side, said Seoul "cannot and will not" accept these two demands.

Simultaneous pilot inspection must be on one-on-one basis for facilities in both sides, Yi said, and any changes in Team Spirit schedules must be preceded by North Korea's acceptance of outside inspection on its nuclear facilities and abandonment of reprocessing and enrichment plants.

North Korean officials reportedly showed willingness to compromise on the simultaneous inspection issue, according to Yi, saying their position was open to adjustment through further negotiations with South Korea.

Thursday's progress has now thrown the light on the timetable rather than the content of the agreement.

Question now is how and when Seoul can verify whether Pyongyang sincerely means what it proposed.

North Korea said it will sign and implement the nuclear safeguards accord as soon as possible, but it can take months after the signing before IAEA can inspect North Korean facilities.

Time South Korea does not have. Reports say North Korea can complete its reprocessing facilities in Yongbyon between coming May and August. This is the major reason why Seoul insists that Pyongyang sign the safeguards accord at the latest by Jan. 15.

Yi Tong-pok said Seoul made clear at Thursday's talks that progress in nuclear negotiations is a prerequisite before it can put the inter-Korean agreement into effect.

North Korea may be pressed enough to make more forward steps. North Korean President Kim Il-song who turns 80 next year nearly completed power handover to his son Chong-il Wednesday by naming him the supreme commander of the North Korean armed forces.

Pyongyang needs to create a favorable climate for the power transfer, and improvement in inter-Korean relations is certain to blow a favorable wind.

Meaningful progress seems to be close at hand. The two sides meet again Saturday, and officials say prospects are brighter than ever before for a successful solution to the nuclear problem.

South 'To Be Flexible' in Nuclear Discussions

SK2712091191 Seoul YONHAP in English 0840 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (OANA-YONHAP)—South and North Korea may seek to compromise on a joint declaration for a non-nuclear peninsula in their second nuclear talks at the truce village of Panmunjom on Saturday [28 December].

South Korea has decided to be flexible to reach a compromise in the closed meeting, to be attended by two delegates to the inter-Korean high-level talks and three specialists on each side.

It will push for simultaneous inspection of nuclear facilities in both Koreas in return for agreeing to omit clauses on the North's signing a nuclear safeguards accord, accepting nuclear inspection and eliminating chemical and biological weapons, it was learned.

The southern side will repeatedly emphasize dropping a North Korean clause on prohibiting "any war exercise under the simulated conditions of a nuclear war" from the joint declaration because the ban is reflected in the agreement adopted during the fifth round of inter-Korean prime ministers' talks, an official source said.

South Korea will seek a clear timetable for the North's signing, ratification and enactment of a safeguards pact and promise to cancel the annual "Team Spirit" military exercise if Pyongyang complies with the demand, he said.

"There will no big problems during the talks. But if both sides fail to agree to the contents of a declaration this time, a third contact will be made on Monday [30 December] to conclude the compromise this year," he said.

"Seoul and Pyongyang have agreed in principle that they adopt a joint declaration of a non-nuclear Korean peninsula at the sixth round of inter-Korean high-level talks in Pyongyang in February," he added.

Government To Open Market to Agricultural Items

SK2712062291 Seoul YONHAP in English 0512 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (YONHAP)—South Korea will open its market for 43 foreign agricultural, fishery and livestock products and lift voluntary restrictions on exports of 41 items from Jan. 1, 1992, the Ministry of Trade and Industry announced Friday.

At the same time, the government will remove three items from the list of foreign products whose imports had been restricted because of health reasons while reenforcing restrictions on nine other items, the ministry said.

Among the items whose imports will be liberalized from next year are 13 agricultural products including persimmons, tangerines and oranges, other fruit and nuts and molasses for alcoholic drinks, and 10 livestock items such as pigs and deer and 20 fishery products including eels and flounders, the ministry said.

As a result, the rate of liberalized imports is to rise 0.5 percentage point from 97.2 percent in 1991 to 97.7 percent in 1992. The number of restricted products will drop from 283 items in 1991 to 240 items in 1992, the ministry said.

Among the 41 items whose exports were under self-imposed restrictions, eight items were liberalized. They include leather gloves, leather and fur clothes and accessories, it said.

The ministry said it will also liberalize exports of 31 items to all countries except the United States and the European Community which maintain import quota systems.

Trade Deficit With U.S., Japan, EC Grows

SK2512022591 Seoul YONHAP in English 0150 GMT 25 Dec 91

[Text] Seoul, Dec. 25 (YONHAP)—South Korea's trade with the United States, Japan and European Community, its three largest export markets, produced a substantial deficit this year.

Trade with the two countries and the EC registered 9.2 billion U.S. dollars in the red in the first 11 months of this year, after a surplus of 455 million dollars last year, on a customs clearance basis, the Trade and Industry Ministry said Wednesday.

Korea recorded surpluses with the United States and EC last year, but suffered losses with all three partners this year.

In particular, the deficit with Japan grew sharply, surpassing 8 billion dollars for the first time—it rose from 5.94 billion dollars last year to 8.18 billion dollars in the 11-month period this year.

The trade balance with the United States deteriorated from a surplus of 2.42 billion dollars to a deficit of 716 million dollars, and Korea had a surplus of 455 million dollars with the EC in 1990 and a deficit of 408 million dollars this year.

Exports of electric and electronic products to the United States totaled 5.78 billion dollars in January-November, up 9.4 percent, and those of general machinery grew 32.2 percent to 700 million dollars.

Shipments of other products to that country declined. Footwear was down 24.4 percent at 1.77 billion dollars, textiles down 11.3 percent at 3.22 billion dollars and automobiles down 7.9 percent at 990 million dollars.

Imports from the United States grew in almost every category except agriculture and fisheries, where there was a drop of 14.2 percent to 2.99 billion dollars.

Imports of machinery grew 27.2 percent to 5.13 billion dollars and those of electric and electronic goods rose 34.7 percent to 3.61 billion dollars.

Government Limits Insurance on Overseas Securities

SK2412061591 Seoul YONHAP in English 0305 GMT 24 Dec 91

[Text] Seoul, Dec. 24 (YONHAP)—The government will limit issuance of overseas securities to under 1 billion U.S. dollars next year, a Finance Ministry source said Tuesday.

Capital procured by issuing foreign bonds will be mainly given to the manufacturing industry to intensify its competitive power, the source said.

Korean companies issued 1.06 billion dollars of overseas securities such as convertible bonds, bonds with subscription warrants and depository receipts this year, up from 290 million dollars in 1990.

The government seeks to restrain the import-push effect of unnecessary floating of foreign securities as the worsening trade deficit requires an urgent economic solution, the source said.

Securities authorities plan to adjust the timing and amount of overseas bond issuance to avoid a large floatation, which lowers prices.

Ministry Officials View Trade Pact With PRC

SK2712093491 Seoul YONHAP in English 0859 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (YONHAP)—South Korea will be able to redress its trade deficit with China in 1992 as a result of a bilateral trade pact initialed last week, which is expected to boost exports 40-50 percent, trade officials here said Friday.

Under the trade accord, effective upon signing, China grants Korea most-favored nation status and abolishes discriminatory tariffs on Korean products.

Seoul will consult Beijing about streamlining entry and exit procedures, and setting up branch offices of trading firms, they said.

The ministry, they said, is poised to encourage local companies to refrain from overheated competition and will even change the law to help the process, if necessary.

In a related move, ministry officials met Friday with heads of exporting companies and relevant institutions to discuss ways to expand exports to China.

Korea's trade deficit with China is expected to mark 1.1 billion U.S. dollars by year's end on 2.37 billion dollars of exports and 3.47 billion dollars of imports.

Trade-Industry Ministry officials predict exports will rise 49.8 percent to 3.55 billion dollars and imports 31.1 percent to 4.55 billion dollars next year.

PRC Fishing Fleet Spotted Near Cheju Island

SK2712034391 Seoul YONHAP in English 0258 GMT 27 Dec 91

[Text] Cheju, South Korea, Dec. 27 (YONHAP)—A fleet of some 200 Chinese fishing boats was spotted about 21 nautical miles northwest of Cheju Island on Thursday, just 10 days after they were last seen poaching there, the Cheju Marine Police said Friday.

Police patrol boats were dispatched to the area Thursday afternoon and guarded against Chinese vessels moving toward the 12 mile Korean territorial limit, police said.

Some 200 Chinese dragnet-boats illegally fished in waters near Cheju and a nearby marine resources preservation zone Dec. 9-17 despite police requests to leave.

Korea lodged a protest with China over the violation of its territorial waters by Chinese fishing vessels and demanded that China withdraw the ships immediately on Dec. 18.

Driftnetters To Operate in South American Waters

SK2712112491 Seoul YONHAP in English 0832 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (OANA-YONHAP)—South Korea will expand its fishing operations into South American waters as driftnets are banned in the northern Pacific from 1993, Yun Ok-yong, director of the Fisheries Administration, said Friday.

Yun, who recently visited Peru and Argentina, said that if a new fisheries law introduced to the Argentine National Assembly takes effect, Korean fishermen will be able to use driftnets to catch squid in Argentine economic waters soon.

Since 1984, Korean vessels have been allowed to fish in Argentine waters only through joint ventures.

Both countries agreed to set up an official consultative body to improve cooperative efforts in the fisheries field during his stays, Yun said.

"Conditions for joint ventures will be loosened, so Korean companies will be able to invest exclusively and catch cod and squid in Argentine waters," Yun said.

Yun said Korea and Peru are to discuss the detailed steps to conclude a fisheries agreement between the two countries in Seoul in January.

Kim Yong-sam Meets With French Ambassador

SK2512080291 Seoul THE KOREA TIMES in English 25 Dec 91 p 2

[Text] Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, met with French Ambassador Bernard Prague at his office yesterday when Prague visited Kim.

In the meeting, they exchanged views on mutual interests including the just-concluded inter-Korean agreement and the prospects for the unification of the European Community.

Prague said the European countries are bound to see market unification materialize next year with a monetary one between 1997 and 1999 and political unity by the early 21st century.

No Tae-u Briefed on Economic Plan for 1992

SK2612101591 Seoul YONHAP in English 0948 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—Stability is the reason for slowing economic expansion to 7 percent next year from a projected 8.6 percent this year, Deputy Prime Minister Choe Kak-kyu said Thursday.

The current account deficit is projected at 8 billion U.S. dollars and inflation at 9 percent for 1991.

"We hope to give top priorities to making each economic sector share the burden and endure lower growth, and to improving the international payment balance," Choe told President No Tae-u in a briefing on the government's new year economic management plan. The session was attended by several other economic ministers.

Exports are projected at 81 billion dollars, up 12.8 percent, and imports at 90.5 billion dollars, up 10.6 percent, for a trade deficit of 9.5 billion dollars on a customs clearance basis, Choe said.

He said the gross national product would rise 14.6 percent to 227 trillion won (297 billion dollars) on a current prices basis, for per capita GNP of 6,816 dollars.

The total money supply (M2) will grow 18.5 percent, down from 18.8 percent this year, he said.

The increase in private consumption will be kept at 8 percent, down from 9 percent in 1991, construction investment at 2.5 percent, down from 12.3 percent, and facility investment at 11 percent, according to the top economic official.

Business and financial institutions will be urged to hold their pay hikes within 5 percent.

Pay for top-ranking public officials in the first grade and above and executives of state-run companies will be frozen, the deputy prime minister said. State-run and large private firms will be advised to freeze remuneration for newly employed graduates of universities at current levels.

Strike-free enterprises may be exempted from tax audits and given special financial support, but steep pay raises will incur strict credit controls and disadvantage in government projects, Choe said.

Securities Board Opens Stock Market to Foreigners

SK2712033391 Seoul YONHAP in English 0214 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (YONHAP)—The Securities Supervisory Board revised its regulations on foreign investment Friday, opening the South Korean stock market to alien governments and pension and other funds.

Eligible investors are categorized as individuals and institutions of foreign nationality, international financial bodies and holders of permanent foreign denizenship seeking overseas remittances.

Foreign trading in Korean stocks is due to begin on Jan. 3, when the market opens for the new year.

The board raised the foreign-investment ceiling to 25 percent of stock in a joint venture or an overseas floatation and set the limit at 8 percent for investment in Pohang Iron and Steel Co. and Korea Electric Power Corp., which are classified as public institutions. The normal limit is 10 percent.

The buying limit for the Korea fund was sustained at 5 percent, the level approved by the finance minister.

Opposition Chief on Coming Elections, N-S Talks

SK2612030491 Seoul YONHAP in English 0228 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—Kim Tae-chung, co-leader of the major opposition Democratic Party, hinted Thursday that many of the lawmakers from Seoul, his stronghold of Kwangju and the Cholla Provinces could be dropped by the party in the next general elections.

"If a great majority of the voters in the Seoul and Honam areas demand replacement of the present lawmakers by new candidates in next year's parliamentary elections, our party will have to seriously consider it," he said. "Especially among Honam people, discontent runs high about the lack of efforts on the part of the incumbent lawmakers."

Reiterating his party's position that general, mayoral and provincial gubernatorial elections should be held simultaneously in April, Kim told YONHAP NEWS AGENCY that his party would conduct a petition drive to earn public support for its stand.

The party's candidates for election would be announced "after mid-January," when recruitment of over 30 new faces should have been completed, he said.

The replacements would include former military officers, high-ranking government officials, businessmen and professors, and they would be nominated for both national and district constituencies, he said.

He said the general elections would become a war between his party and the ruling Democratic Liberal Party, as the splinter Minjung Party had decided not to put up candidates opposite his Democratic Party.

On the recently founded National Alliance of Dissident Forces (Chonguk Yonhap), Kim said it was desirable for the alliance to support party candidates in the election because it was not a political party itself.

His party would call for an extra session of the National Assembly timed with U.S. President George Bush's visit Jan. 5-7, he said.

"The extra session will deal with pending issues including the law bill on restructuring of farming and fishing industries. The session may also study another revision to the law on election of National Assembly members," Kim said.

The inter-Korean agreement on reconciliation, non-aggression, exchange and cooperation, signed by the South and North Korean prime ministers in Seoul Dec. 13, would be seriously deliberated in the extra session, he said.

"Our party basically supports the agreement, and to share responsibility for it, we should seriously deliberate it in the extra session...

The ruling party should not use inter-Korean issues, including the summit talks, to resolve such matters as constitutional revision for a parliamentary government system, he said.

Kim said President No should declare before the South-North Korean summit talks that he will not seek constitutional revision for a parliamentary government system during his term in office. No should also make clear the scope of the agenda at the summit talks and should grasp the national consensus by listening to the opinions of the opposition party and other segments of society, he said.

Kim Yong-sam To Urge Removal of 'TK Elements'

SK2612002291 Seoul THE KOREA TIMES in English 26 Dec 91 p 2

[Text] Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], will strongly urge President No Tae-u to remove the so-called "TK elements," namely the natives of Taegu and Kyongsangpuk-to, from high rungs of power.

Kim is reportedly planning to put forth the demand in a critical meeting with No sometime next month in an apparent attempt to clear the way for his political ambitions to become the ruling party's presidential candidate.

The demand will constitute the core of the executive chairman's package for reforms in politics which are to include the liquidation of the "TK group" and the exclusion of No's relatives from power.

In his talks with the president, Kim will proclaim his willingness to agree with a DLP convention for naming the presidential candidate even after the coming general elections if his demand is met.

Unless the demand is accepted, Kim, who leads the second largest faction in the ruling party, will make it clear that he will leave the DLP.

The No. 2 man in the ruling hierarchy has called for a party convention prior to the parliamentary elections slated for late March or early April.

Kim will pressure No by taking advantage of public opinion against the "TK forces" who prevail in officialdom.

To back up their boss, Kim's followers will push ahead with an in-house campaign of collecting signatures in a scheme to show off their unity.

Kim's demand is partly construed as a head-on challenge to No. So, the reactions from the factions led by No and DLP co-chairman Kim Chong-pil are drawing keen attention.

In this context, the ruling party is likely to be buffeted by internal feuds between old-time ruling and opposition forces.

A close aide to executive chairman Kim revealed yesterday, "Those with vested rights surrounding President No are eager to hold on the power, standing in the way of a genuine democracy."

He went on, "In a bid to realize President No's election pledges for the achievement of a true democratic government, the "TK forces" should be liquidated and executive chairman Kim will place emphasis on it during his meeting with No."

He also said, "The stubborn refusal to hold a party convention to nominate the presidential candidate prior to the general election is only a scheme to exclude Kim Yong-sam from the nomination in order to prolong the grip on power by the TK clique.

The aide added, "However, if an acceptable measure is taken for the realization of true democracy by President No, we will agree to convene a convention for the nomination of the presidential candidate after the parliamentary elections."

Another aide to Kim Yong-sam indicated that he is aiming at removing former sports-youth minister Pak Chol-on and No's brothers- in-law Kim Pok-tong and Kum Chin-ho, by saying, "Their surfacing to the front of politics will only increase the political burden on President No."

Parties Note Hyundai Head's Political Moves

SK2512122291 Seoul THE KOREA TIMES in English 25 Dec 91 p 2

[Text] Sharing a critical view on the reported move by Chong Chu-yong, founder-honorary chairman of the Hyundai Group, to create a political party, the rival parties are paying keen attention to Chong's activities.

Rep. Chang Kyong-u of the ruling Democratic Liberal Party [DLP] said, "If it is true that Chong is attempting to grasp political power by founding a party of his own, it is a breach of what the ordinary people expect him to do."

A ranking DLP official said on the condition of anonymity that he heard Chong had contacts with former government officials and journalists.

He added, however, that it is not clear whether Chong seeks to create a party to take part in the coming general elections or if he is planning to give financial support to about 20 to 30 political aspirants to help them win House seats.

Reports have it that five former ranking diplomats, Cabinet members, government officials and journalists are working for Chong.

But Kim Chong-kyu, former president of the YONHAP NEWS AGENCY, who is reportedly one of the five, yesterday denied that reports, saying, "I've once put forth a negative view in response to Chong's sounding out the feasibility of inaugurating a new party. It is groundless that I am involved in the work of creating a new party."

Political observers said that there is a possibility Chong is to join hands with ex-professor Kim Tong-kil and erstwhile chief of presidential secret service Chang Setong. Kim and Chang are also known to seek to create political parties.

Chong's extraordinary activities include raising money amounting to 130 billion won by selling his unlisted stocks to Hyundai employees, making analysis of political situations by forming a task force and having them work in a restricted area at Hyundai headquarters, sending New Year greeting cards to people from all walks of life and often making remarks supporting Christianity and Confucianism with severe criticism of government policies.

Meanwhile, Democratic Party [DP] co-leader Kim Taechung said, "I am aware of Chong's move because I've heard from a person whom I know very well that he was requested by Chong to join the projected new party."

He went on, "I also heard that Chong plans to help 100 political aspirants to obtain House seats by spending 500 billion won out of the 3 trillion won at his disposal."

Another DP co-leader Yi Ki-taek was pessimistic, "It will be very difficult for Chong to create a party with just two to three months left before the parliamentary elections."

DP's executive member Yi Bu-yong commented, "Every one is entitled to conduct politics. But money and politics should be distinguished."

Ko Hung-mun, former opposition leader, who reportedly will join Chong's party, said, "I have not had talks with Chong and have no intention to join hands with him."

A political analysist said Chong's move attests to low trust politicians receive from the people. Had it not been for the low esteem, a business leader could not have dared to inaugurate his own party against existing political parties.

Kotra Sets Up Section To Obtain Data on North

SK2612005991 Seoul YONHAP in English 0018 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—The Korea Trade Promotion Corporation (Kotra) plans to collect information on North Korea's trade and industry to help South Korean companies conduct direct business with the North, officials said Thursday.

Many South Korean companies showing interests in doing business with North Korea since South and North Korea signed the agreement on reconciliation, nonaggression and cooperation and exchanges, the officials said.

But they said most South Korean companies know almost next to nothing about North Korea as there was no "objective information" available on its trade and industry.

In order to assist those companies, Kotra has set up a North Korean section and plans to issue a report in February after collecting information from third countries that have had business relations with the North, the officials said.

Economic Planning Board Ups Public Service Fees

SK2512114091 Seoul THE KOREA TIMES in English 25 Dec 91 p 8

[Text] A rush of rate hikes in public services are expected to shatter stability-first policy from the start of next year amid mounting inflationary pressures even in private services and farm products.

The Economic Planning Board [EPB] yesterday allowed a 5 percent hike in tuition fees for state-run colleges and universities and 7.5 percent increase for middle and high schools, starting in the new semester next year.

Private universities have also decided to raise school fees 15-20 percent next year although students are expected to strongly resist the hike.

The government has already raised new apartment prices 6.3 percent, starting on Jan. 1 and is considering a 5-6 percent increase in electricity charges on Feb. 1.

Other public service sector calling for rate hikes are transportation, including buses, taxis, subways and railroad, medical care under the insurance system and drinking water.

An EPB official said city bus operators have been experiencing a severe financial pinch and they are considering demanding a 50-60 percent hike.

A most exemplary Seoul city bus company has already gone bankrupt as a result of chronic deficits occurring from the fare freeze, he said.

Most city bus companies have failed to pay wages to their drivers for months this year and a considerable number are expected to go bankrupt next year, the official said.

But, he said, the government is unable to allow a bus fare hike due to ever-mounting inflationary pressures.

It is also highly probable that provincial governments will raise various kinds of charges such as park entry fees and cinema charges and street cleaning charges under the justification that they are obliged to secure funds for their budgets under the autonomy system.

The EPB official said the government plans to lower domestic telephone charges next year to ease the inflationary pressure.

He said private universities will be encouraged to slash their projected hike margin to single digit to cushion the inflationary effect.

But the government will hardly curb rate hikes due to the inflationary spiral which has been created by high wage increases for the past several years, an economist said.

Despite the government's pledge to conduct a tax probe, a considerable number of public baths raised their charge 12-15 percent on ground that fuel was switched to a refined one at the request of the government.

Barber shops have also raised their charges by 50-70 percent and most of coffee shops have increased the price from 1,000 won to 1,200 won a cup.

Private schooling institutes have been considering increasing charges starting next year under the pretext that elite classes will open.

The government has set the inflation target goal in the consumer sector at 9 percent for next year, down from 9.5-9.7 percent estimated for this year.

But an economist said the target goal will hardly be attained in view of the current rush of public service rate hikes.

The government increased the budget for next year by 24 percent and four rounds of elections are expected to set the inflation rate aflame, the economist commented.

Electricity Charges To Increase by 6.1 Percent

SK2712032291 Seoul YONHAP in English
0154 GMT 27 Dec 91

[Text] Seoul, Dec. 27 (YONHAP)—Electricity charges will go up 6.1 percent on Feb. 1 to finance construction of power stations, the cabinet decided Friday.

Educational and agricultural users were excluded along with households using less than 50 kilowatts [kws] a month, but households using below 100 kws, 200 kws and 300 kws a month will pay 3.8 percent, 5.4 percent, 6.3 percent more, respectively, to encourage energy conservation.

The hike is expected to push up wholesale and retail prices 0.24 percentage points and 0.05 percentage points, respectively.

It will help cut electricity demand by 205,000 kws a day, raising the power reserve 1 percentage point and increasing revenue by 364.8 billion won next year.

The government has projected next year's maximum power demand at 13.7 percent, or 2.63 million kws, higher than this year and the growth in generation facilities at 1.99 million kws.

The money is needed to build more plants to meet the growing demand.

Kori Nuclear Power Plant To Undergo Repairs

SK2512025291 Seoul THE KOREA TIMES in English
25 Dec 91 p 3

[Text] The Science-Technology Ministry will repair main facilities of the nation's oldest nuclear power station in Kori, South Kyongsang Province, for 90 days beginning early next month.

The ministry said the massive repair work is necessary as the nuclear power station's operation was halted as many as 11 times this year because of malfunctioning of its aging facilities.

The sudden stoppages of power generation were mainly caused by malfunctions of aging electronic circuit boards at the station's operation control system, the ministry said.

Ministry officials in charge of technical inspections of nuclear power plants said the troubles were minor and the they were repaired immediately.

"It did not affect the overall safety of the nuclear power plant operation," a ministry inspection said. "But the problem is problem and we must ensure 100 percent safety and zero defects as far as nuclear power generation is concerned."

He said the ministry will dispatch some 20 inspectors and technicians of the Korea Electric Power Corp. (KEPCO) and the ministry to the Kori nuclear power plant early in January to replace the problematic electronic circuit boards and other facilities in the main operation control systems.

They will also thoroughly check the electric power conversion facility, electric power motors, fuse boxes, vapor generation control system, turbine generator and nuclear reactor monitoring system, the ministry official said.

The sudden stoppage of the nuclear power plant operation occurred on 25 separate occasions at the nation's nine nuclear power stations this year. It means operation stopped 2.8 times on the average at every nuclear power station.

This figure is lower than the 3.7 times in Taiwan. But it is higher than the United States' 1.8 and Japan's 0.4.

Meanwhile, atomic energy experts are worried about the high incidence of mechanical troubles at Kori station, saying that overuse of the station facilities should be blamed for the frequent operation stoppages.

They cited the highest operation rate of Korea's nuclear power stations, tallied at 79.3 percent last year. It is higher than the world average 65 percent, the nuclear scientists said.

According to them, the high operation rate means little time for maintenance and safety checks, accumulating metal fatigue and rapid aging of nuclear power generation facilities.

* Defense Budget Cuts, Disclosures Demanded

922C0032A Seoul TONG-A ILBO in Korean 21 Oct 91 p 9

[Article by reporter Kim Chae-hong: "Active Public Discussion of 'Tabooed' Military Issues"]

[Text] Some of the military issues which were taboo for public discussion in the past, such as reducing the defense outlays, disclosing the defense budget to the public, and bringing the Defense Ministry under civilian control, are now actively discussed in public, thus becoming a focus of attention.

In connection with the defense budget, which has touched off an argument about the question of what the status of the military should be, the National Assembly organized an ad hoc budget and settlement committee. With a preliminary examination of next year's budget in each standing committee scheduled to begin next week, a heated controversy is expected to take place between Defense Ministry officials and assemblymen from the ruling and opposition parties over the defense budget scaled at 8,753 billion won.

The problems at issue are, above all, to what extent the content of the defense budget should be disclosed to the public and what the size of the reduction should be. High-ranking ruling party officials have reportedly told the Defense Ministry to undertake the responsibility of disclosing the defense budget to the public as much as possible and seeking an understanding from the press, on the grounds that unless the defense budget wins the support of public opinion, it would be a troublesome thing to dodge the opposition demand for its reduction.

During the parliamentary investigation of government operations last month, ruling and opposition assemblymen demanded that "the defense budget be reduced to help tide over the economic difficulties and improve the welfare of the people" and that "civilian control of the Defense Ministry should be strengthened."

Top Defense Ministry officials responded by saying: "Under the circumstances when there are no visible signs of change in the attitude of North Korea, whose military strength is far superior, any cut in our defense expenditure will endanger our security."

It is true that spurred by the change in the security environment, such as the collapse of the Soviet communist party and the simultaneous admission of North and South Korea into the United Nations, voices began to rise with a persuasive force demanding a reduction in the military budget.

In addition, with U.S. and Soviet declarations on the reduction of their nuclear arsenal, North-South arms reduction talks are expected to gain momentum in the inter-Korean dialogues. The present atmosphere is such that the public argument about the status of the military is likely to further gain in scope.

In its October issue the monthly HANGUK NONDAN (Yang Ho-min as publisher) drew attention by printing a special feature making a full-scale analysis of "the military today." The feature consists of articles contributed by Professor An Pyong-chun of Yonsei University, Professor Kim Tong-hyon of Songgyungwan University, Professor Choe Yon-hong of Washington City College; retired Generals Chae Myong-sin and Yi Han-nim, deans of the military community; Major General Cho Song-tae (active duty), policy planning officer at the Defense Ministry; and Yang Sang-tae, director of the Troop Information and Education Bureau, the Defense Ministry.

In this special feature entitled "Is the Military OK as It Is?" the authors expressed their beliefs and opinions in an unprecedentedly candid manner on various issues, such as (1) the civilian control of the military, (2) the status of the army as the people's army, (3) the percentage of ex-armymen who entered the political and government fields in the 26 years under the Pak Chong-hui and Chon Tu-hwan regimes since the 16 May military coup, and (4) the security posture toward North Korea and the problem of maintaining military strength.

Professor An Pyong-chun maintained that "under the democratic system the military should be subject to civilian control," and stressed that "there should be candid discussions or studies between military and civilian scholars on the limits that should be placed on military strength and resources necessary for the deterrence of war and on the possibility of realizing disarmament and building confidence between North and South."

Professors Kim Tong-hyon and Choe Yon-hong in their joint article said, "The military-civilian relationship in the ROK became tense because of Major General Pak Chong-hui's military coup. It was subsequently viewed as a dangerous relationship as the country went through a revision of the constitution to allow three consecutive presidential terms, the installation of the Yusin rule, and the inauguration of the Chon Tu-hwan government." They pointed out that "during their combined 26-year rule of South Korea, Presidents Pak and Chon converted the Capital Defense Command, the Special Forces Command, the Intelligence Command, the Central Intelligence Agency (later reorganized as the Agency for National Security Planning) into their political tools. Thus, they made it a hard to deny the fact that the military relegated itself to the status of being a servant of politics."

Quoting articles of Professors Kim Kwang-ung and Han Wan-sang (of Seoul University) and Professor An Pyong-man (of the University of Foreign Languages), Professors Kim and Choe gave the following figures on the ex-soldiers who entered political and government establishments in the 26-year period from the Third through the Fifth Republic: ex-soldiers numbered 155 (33 percent) out of 456 cabinet members, 73 (18 percent) out of 403 vice ministers, 99 (39 percent) out of 254 directors of agencies under the central government, and 16 percent of the total members of the Sixth through 12th National Assembly. Specially hired former commissioned officers accounted for more than 26 percent of the newly hired government employees. These specially hired former commissioned officers were concentrated in the Board of Audit and Inspection, the Home Ministry, the Seoul Municipal Government, and the Office of National Tax Administration, and they formed a leading elite group.

Noting that "it is hard to say the present military-civilian relationship is normal," Professors Kim and Choe pinpointed the academe and the press as bridges linking the military and civilians.

It is worthy to note that concerning the relationship between the military and the press, Cha Yong-ku, chief of the research office under the Institute for Defense Studies, warned that "if the present relationship persists between the military and the press, there would be a considerable impairment to our fighting power, considering the peculiar nature of the warfare which confronts us today, which is an ideological one between brethren."

The two professors said that for civilian control of the military and for a smoother military-civilian relationship, the minister and vice minister of defense and the chairman of the National Assembly Defense Committee should be appointed from among civilians. They pointed out that in the United States, Brown (former nuclear physics professor) served as defense secretary under the Carter administration, Weinberger (former Budget Bureau chief) as defense secretary under the Reagan administration, and Cheney (former House member from Wyoming) as defense secretary under the Bush administration all came from the civilian sector.

On the other hand, General Cho Song-tae (on the active list), policy planning officer of the Defense Ministry, said: "In my view, the era of peaceful coexistence between North and South Korea will advent before the end of this century, and it will not be long before Korea is reunified. All this is possible only when war is prevented." He maintained that "the coming three or four years will be a crucial period vital to the fate of our nation."

Pointing out that "the mode of existence of the army changes as time and history change, Yang Sang-tae, director of the Troop Information and Education Bureau of the Defense Ministry, declared that "a social climate of trusting the military as well as political and social stability and democratic progress can be the foundation for safeguarding the state."

Chae Myong-sin, dean of the military community and former commander of the ROK Forces in Vietnam, called for the disclosure of the military budget to the public, maintaining that the weapons procured for the soldiers, the means for clothing and feeding them, as well as the amount and performance of weapons they have, cannot be a military secret."

Yi Han-nim, former commander of the 1st Corps, stressed the need for understanding between the military and civilians, saying that "the army as the people's army can bring its vitality into play only when backed up by the affection and support of the people."

This kind of full-scale "analysis of the military" which has been very rare since the 16 May military coup will serve as a good piece of advice for the policy making authorities and is expected to improve the level of public understanding of military issues.

Burma

Saw Maung Makes Appearance at Boat Festival 26 Dec

BK2612145791 Rangoon Radio Burma in Burmese 1330 GMT 26 Dec 91

[Excerpts] Senior General Saw Maung, chairman of the State Law and Order Restoration Council [SLORC] and commander in chief of the Defense Services, accompanied by his wife, Daw Aye Hmi, attended the Third SLORC Chairman's Cup Traditional Boat Festival, which opened at the Kandawgyi Lake this morning.

Sr. Gen. Saw Maung, accompanied by his wife, Daw Aye Hmi, arrived at the Central Pavillion at Kandawgyi at 0915. [passage omitted] Sr. Gen. Saw Maung warmly greeted ambassadors, diplomats, and military attaches from foreign embassies in Myanmar [Burma]; officials from United Nations agencies; Mr. (Maria Basunki), deputy chairman of Indonesian Boat and Yacht Club; Mr. (Hadin Koshedlaan), secretary of Bangladesh Boat Club; Mr. (Bahar Udin Ahmad), member of Bangladesh Boat Club; and Retired Rear Admiral (Delos Vatayakosol), Police Commander (Chana Botasamtiput), Air Force officer (Sitidat Bonyayao) from the Amateur Yacht Club of Thailand individually. Later, Sr. Gen. Saw Maung viewed and cheered on preliminary races by teams from states and divisions, ministries, and the Inlay region.

Sr. Gen. Saw Maung, accompanied by members of the SLORC led by General Than Shwe, deputy commander in chief of the Defense Services and commander in chief of the Army, and Brigadier General Tin Hla, chairman of the committee for holding the boat festival and commander of the 22d Mobile Regiment, warmly greeted entertainment groups from states and divisions and performing artists from the Fine Arts Department, and members of cultural delegations from Keng Tung and Nawnghkio of the Shan State individually.

Sr. Gen. Saw Maung then walked about the lane along the lake and waved and warmly greeted the general public who were watching the festival. He dropped by the entertainment pavillion of the states and divisions and warmly greeted the members of delegations from states and divisions. [passage omitted] He was warmly greeted in return by the general public, and Sr. Gen. Saw Maung greeted them in return. [passage omitted]

Sr. Gen. Saw Maung left the Central Pavillion at 1145.

Karen Guerrillas To Block Rangoon Road Plans

BK2112061291 Hong Kong AFP in English 0603 GMT 21 Dec 91

[Text] Bangkok, Dec 21 (AFP)—A Karen guerrilla group opposed to Burma's junta has said it will fight Rangoon's plans to build roads into western areas of the country controlled the insurgents.

A senior officer of the Karen National Union (KNU), one of the strongest anti-Rangoon insurgent forces, told AFP that the group would "militarily obstruct" the junta's road building plan.

"It is our policy to stop all kinds of advances by the Burmese military into insurgent-controlled areas of the country. Our forces have been alerted and are prepared to obstruct all advances," the officer, who requested anonymity, said by telephone from the Thai border town of Mae Sot.

The Burmese Army have already begun construction of a roadway into rebel-held jungle and mountainous regions north of Victoria Pointin, Burma's southernmost border township, the officer said.

"There is a likelihood the Rangoon authorities will hire Thai construction companies to build roads into areas where the resistance is toughest, and if so, we have no choice but to obstruct these ventures militarily," the officer said.

The officer quoted KNU leader General Bo Mya as saying that Rangoon's ruling military regime, known as the State Law and Order Restoration Council (SLORC), was planning to "penetrate insurgent-controlled areas" with roads to facilitate the transport of troops and equipment.

Bo Mya was also quoted as having instructed his top commanders to attack all road construction teams, conduct sabotage operations and arrest company workers to stop the Burmese Army's advance.

To counter Rangoon's counter-insurgency plans, the KNU have announced they will build their own network of roads along the Burmese-Thai border.

Rangoon has asked Bangkok to encourage Thai road building firms to take on road construction contracts in areas inside Burma in exchange for lucrative teak logging concessions.

Burma also offered to open up new border trading posts but Thailand has refused to get involved, according to a military source here.

"We are committed to our policy of non-involvement in the internal affairs of other countries," the Thai source said.

Many Thai logging firms have pulled their operations out of Burmese forests due to lack of protection from Rangoon's Army against the guerrillas, the source added.

Brunei, Malaysia & Singapore

Malaysia

Minister Counters Forest Management Allegations

BK2012044491 Kuala Lumpur BERNAMA in English 0351 GMT 20 Dec 91

[Text] Ipoh, Malaysia, Dec 20 (OANA-BERNAMA)—The Malaysian Government is confident of staving off the anti-tropical timber campaign mounted by environmental groups in Europe, the United States, and Australia.

Primary Industries Minister Dr. Lim Keng Yaik said the government would go all out to counter the allegations and inform the people in those countries on Malaysia's forest management.

"Perhaps, the non-governmental organisations have been misinformed of our forestry management and this is one point we will look into in our strategies to counter the campaign," he told reporters here Thursday night.

Dr. Lim also said participating countries at a forestry conference in Paris in September last year took a stand that forestry was a shared responsibility of all countries and not only of tropical nations.

News reports said the Malaysian Timber Industrial Development Council (MTIDC) would spend about M$10 million (US$3.7 million) to fight the anti-tropical timber lobby in Western countries.

The money would come from the levy on sawn timber and MITDC had also been requested to engage a consultant to counter the misinformation spread by the environmental groups.

In 1990 Malaysia exported M$8.2 billion (about US$3 billion) worth of timber.

Singapore

EC Industrial Status Tag Causes Disappointment

BK2212075691 Singapore THE STRAITS TIMES in English 21 Dec 91 p 1

[By Tan Sung]

[Text] Singapore is disappointed with the arbitrary action by the European Community (EC) to classify it as an industrialised country through the platform of current world trade talks, a Ministry of Trade and Industry official (MTI) said yesterday.

The MTI spokesman said that the Government last night registered its unhappiness over the EC move with an official note to Mr Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT). It will follow this up with a separate letter to the EC Commission in Brussels soon.

He added that it plans collective action with Hong Kong and South Korea, which were also considered as industrialised countries in the EC action.

"The EC should not unilaterally declare the three countries as developed. There are basic procedures to look at in according countries a developed status... Singapore is disappointed with the EC move as it sets a precedent for arbitrary action," he said.

He said that the EC action is unreasonable and represented a breach of GATT's multilateral trading principles.

On Wednesday, the EC delegation to GATT issued a communique stating that the EC no longer intends to comply with Part IV of GATT provisions in trade dealings with the three Asian economies, since it considers them to be industrialised countries.

If the EC Commission and GATT approve this classification, Singapore would not enjoy special treatment under Part IV for less-developed countries. For example, they are given a longer period than developed nations to phase out subsidies to their local industries.

Some observers note that the EC move at the GATT talks are not linked to the grouping's Generalized System of Preferences (GSP) scheme, which allows developing countries to export certain products to the EC at reduced or zero tariff rates.

About 22 per cent of Singapore's $13.7 billion exports into the EC last year received GSP treatment.

They therefore see the EC move as a negotiating ploy by the Community to deflect criticisms of it being the main stumbling block to the success of the current Uruguay Round of trade talks.

They added that bodies such as the International Monetary Fund and the World Bank are the appropriate authorities to decide on a country's development status as these collate national income and development data, such as on education and demography.

Contacted yesterday, the secretary-general of the Singapore Federation of Chambers of Commerce and Industry, Mr George Abraham, said that Singapore was still not a developed economy in many ways.

He said that the Republic's domestic sector contributed only a small percentage to GDP compared to foreign multinationals. More time is needed for it to develop its local industries to compete effectively internationally.

Mr Tan Eng Joo, president of the Chinese Chambers of Commerce and Industry, expressed similar surprise.

He said that while Singapore's per capita income may be as high as those in developed countries, a considerable portion of its was made up of expatriates' salaries.

"We may be heading towards developed status but we are not there yet.

"Take away the expatriates' pay and our per capita income will fall below that of developed countries," he said.

Career Diplomat Named New UN Envoy in Geneva

BK2212105891 Singapore THE STRAITS TIMES in English 21 Dec 91 p 2

[Excerpt] The Government has appointed career diplomat Mr K. Kesavapany as Singapore's Permanent Representative to the United Nations in Geneva from next year.

A press statement from the Ministry of Foreign Affairs yesterday said that he will succeed Mr See Chak Mun, who has been reassigned to the ministry.

Mr Kesavapany, 55, will concurrently be Singapore's ambassador to Italy and Turkey. [passage omitted]

Cambodia

Chea Sim Opens National Assembly 27 Dec

BK2712084191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 27 Dec 91

[Speech by National Assembly Chairman Chea Sim at opening of the National Assembly's first extraordinary session in Phnom Penh on the morning of 27 December—recorded]

[Text] Your Excellencies, ladies and gentlemen, and beloved compatriots: Today our National Assembly is convening an urgent extraordinary session to decide on a number of urgent matters relating to our country's destiny and future.

As Your Excellencies, ladies and gentlemen, and beloved compatriots know, over the past few days the unrest in Phnom Penh has created a tense atmosphere resulting in the most regrettable death and destruction of the property of people and state. This unrest has influenced all aspects of our society, particularly in political, economic, and daily life. This is a serious threat to the stability, security, social order, and daily life of the masses and people throughout the country. This also creates a new obstacle unfavorable to the implementation of the 23 October 1991 peace agreement.

It can be said that this unrest has created tension in society and has brought despair, destruction of social and national gains of the past 13 years, and the threat of a return to a blood-letting war. If the situation continues to worsen, the hope for peace in the future will vanish and a new tragedy full of horror will confront us. Rights, freedom, honor, dignity, and the people's legitimate interests would be shaken and would rapidly disintegrate. Vengeance and the use of violence would create social and national confusion. Administering the state and society by the government and all levels of state authority would be problematic.

Recent complications have added another burden to economic problems being faced by the state. Foreign confidence and a suitable investment climate in our State of Cambodia would be reduced. This would prolong our people's poverty. The process of moving toward a market economy, which is our people's aspiration, would be negatively influenced by these events.

This is a worriesome tragedy which our National Assembly at this extraordinary session should cooperate in solving to provide new light to ensure continuity in state and social administration during this transitional period. Our goal is to strive to ensure stability and social order during this phase to implement the peace agreement 100 percent and ensure a good political, economic, and social situation in the country; and end social tension resulting from strikes. Through these actions, we hope to restore hope, warmth, and confidence in the bright future of the country and nation; and ensure strict respect for the basic principles of democracy and respect for human rights, which do not deviate from reason and state laws.

In this sense, our National Assembly's current session has the task of examining and adopting the draft laws on demonstrations and amending clauses of the State of Cambodia's Constitution to make them appropriate to the spirit of the party's policies, as well as the clauses of the 23 October 1991 peace agreement. The laws on demonstrations are basic ones which our people need in this historical phase in which our state has undertaken political and economic liberalization, in order to give our people further rights and freedom in accordance with true democracy to express their views in an orderly manner and in conformity with laws. This is to avoid violence and inappropriate acts which affect security, stability, and social order.

Another important aspect of adopting these laws is to protect the rights and freedoms of demonstrators and the rights, freedom, and legitimate interests of the people. The government urgently needs to promulgate these laws and correctly apply them to ensure the protection and respect of human rights as stipulated in our Constitution. The demonstration laws, which our assembly will debate and adopt soon, are also aimed at ending recent unrest in the capital. A major source of the recent unrest is misunderstanding the manner of expressing opinions democratically. This was partly due to the individualist stance of a number of extremists.

It is true that among all of this, a number of demonstrators had a correct and just goal in searching for truth, equality, and progress for society and the nation. However, a number of extremist and reactionary forces took advantage and used the psychology of human masses to instigate the use of violence instead of peaceful and legitimate means. These are the root causes that would bring confusion, unrest, and anarchy and create a tense and frightening atmosphere for the majority of the masses and people.

Amendment of the State of Cambodia's Constitution at this extraordinary session is aimed at perfecting our Constitution and making it appropriate to the new development in political liberalization in accordance with democracy, national reconciliation, and particularly making it conform to the implementation of the peace agreement, of which our State of Cambodia is a major party.

Apart from all these issues, our assembly will discuss a number of necessary measures proposed by the government to ensure stability, social order, and daily life of the masses and people during the transitional period, particularly important measures to serve as the basis for ensuring the comprehensive and responsible implementation of the peace agreement. These include the government's proposals on reshuffling the Council of Ministers.

Your Excellencies, ladies and gentlemen, and beloved compatriots, social and national gains over the past 13 years are certainly due to the countless sacrifices of our people nationwide. The aspiration of our people, who are hungry for peace and social progress, is moving toward the final goal. Through national reconciliation and the implementation of the 23 October 1991 peace agreement, the new situation, and great national union which we have held aloft for the past 13 years, we cannot lessen our efforts. On the contrary, we should further strive to vastly improve the situation in every field.

It is in this spirit that our National Assembly's extraordinary session should find an answer appropriate to the circumstances to overcome this difficult situation facing us. I firmly hope that through common intelligence, [words indistinct] new forces, new ideas, and effective measures would emerge to enable us to achieve the final and noble goal.

Along with profound thanks for the presence of Their Excellencies and ladies and gentlemen, I declare our National Assembly's extraordinary session open and wish this extraordinary session brilliant results.

Hun Sen: Khmer Rouge Leaders To Return 30 Dec

BK2712033091 Hong Kong AFP in English 0315 GMT 27 Dec 91

[Text] Phnom Penh, Dec 27 (AFP)—Khmer Rouge leader Khieu Samphan will make a second attempt to return here Monday for a meeting of the Supreme National Council (SNC), Prime Minister Hun Sen said.

"The security has been prepared for them," the prime minister said, speaking outside the National Assembly, where new laws limiting demonstrations were being debated. Last time Khieu Samphan returned to Phnom Penh, he and fellow leader Son Sen were driven out by an angry lynch mob after demonstrations that appeared to be government-organized went out of control.

Unrest has been growing in the capital ever since the November 27 attack, culminating in a weekend of violent riots that left at least seven people dead according to eyewitnesses and hospital records.

The new laws require government authorization three days in advance to hold a demonstration, and specify that they must be peaceful.

Hun Sen's government promised the Khmer Rouge leaders that it would assure their safety the next time they return to Phnom Penh.

Khmer Rouge radio said Wednesday that if Khieu Samphan and Son Sen were attacked again, Cambodia's civil civil war would resume. The SNC groups the four factions that fought in the nearly 13-year civil war, and it represents Cambodia's sovereignty under a United Nations force.

"We have a lot of work to do" at the SNC meeting, Hun Sen said. But he also called for the immediate deployment of the full United Nations Transitional Authority in Cambodia (UNTAC), which is not scheduled to arrive until March or April.

"I want them to come as soon as possible," he said.

Without the full U.N. presence, the peace process cannot be complete, he said. "It's like a car. If we have only three wheels, the car cannot go. We need four wheels."

The current U.N. presence here is an advance mission setting up for the arrival of UNTAC.

Although it has a military contingent of nearly 300, it is only a liaison group with the SNC—which has yet to meet in Phnom Penh.

Son Sann Discusses Return

BK2012120591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Dec 91

[Interview with Son Sann, president of the Khmer People's National Liberation Front and member of the Supreme National Council, by unidentified station correspondent; place and date not given—recorded]

[Text] [Correspondent] I am a representative of the Voice of the Khmer [VOK]. My respects to His Excellency [H.E.] Son Sann, president of the Khmer People's National Liberation Front [KPNLF]. First of all I ask your permission to pose a question on your return to Phnom Penh. Do you intend to stay in Phnom Penh permanently? And what are the purposes of your return to Phnom Penh for the second time?

[Son Sann] The Supreme National Council [SNC] was expected to meet in Phnom Penh. Because of the demonstration, the samdech [Prince Norodom Sihanouk] suggested a special meeting in Phatthaya instead. All the powers whose representatives are in Phnom Penh together with the two cochairmen as well as the representative of the UN secretary general informed us that going to Phatthaya this time was an exceptional case; after that, they would not meet anywhere else but in Phnom Penh. Therefore, in order to allow the SNC to continue functioning, all of us must agree to meet in Phnom Penh. For this reason, I am leaving soon for Phnom Penh in order to prepare for the moment Samdech Norodom Sihanouk convenes the next SNC meeting there. I take this opportunity to inform all compatriots that going to Phnom Penh is a duty of all of us who have signed the 23 October Paris solution brokered by the Big Five [UN Security Council members].

For this reason, I have to attend the meeting in Phnom Penh although the international forces have not arrived. This is a duty that we must fulfill. Also for this reason, I take this opportunity to inform you that it is my duty, it is a duty of a leader of the KPNLF to go to Phnom Penh in order not to disrupt the progress of the SNC. Whether everything is ready or not for the meeting, I still have to go because it is my expectation that all four Cambodian factions that have committed themselves to supporting the Big Five solution in Paris will abide by their commitment. I believe that from now on even if some rivalries still exist among them, all four Cambodian factions while respecting their commitment will shake hands and know how to reconcile themselves on the path toward national reconciliation to achieve national survival and to win the assistance of the international community and the superpowers in bringing glory and prosperity back to the nation.

For this reason, I have to go even if I know that conditions are not ripe. I still have to go with the hope that all four Cambodian factions understand that they must work sincerely with each other and pay attention to reconciliation and unity so that our nation can live forever.

[Correspondent] H.E. President, do you intend to live and stay permanently in Phnom Penh?

[Son Sann] As long as there are necessary SNC meetings called by Samdech Norodom Sihanouk, I will come. Otherwise, I will wait and see whenever the samdech needs a break in order to engage himself in visits to this or that region. As you know, we have much work to do both here at the border and in all the camps. I have just returned from the camps and I have learned that all the brothers there are preparing for eventual repatriation. We hope that we will return to our hometowns in the next four or five months. However, there is still a major problem. We will have to finish clearing all landmines in Cambodia before we go back. And I have to monitor that work which is a very important matter vital to the lives of hundreds of thousands of our brothers at Site II and 10,000 others at Sok San village. We also have to meet and discuss the fate of those at Site B with the international organizations, including the United Nations. Therefore, I am quite busy with all that work. However, whenever there is an SNC meeting in Phnom Penh, I will go in order to help Samdech Norodom Sihanouk so that the peace process can advance in the interests of the nation, so that after the elections we can find a way to bring prosperity back to our country and pull it out of misery.

[Correspondent] Thank you, H.E. President. In your latest interview with VOK, you proposed the distribution of work within the framework of the SNC in order to alleviate the burden of Samdech Preah Norodom Sihanouk, chairman of the SNC. Lately, I have learned that some factions have supported your proposal. What is your reaction to that? Moreover, you proposed to take over responsibilities in the economic field. According to some observers, however, the economic field in Cambodia at present is below zero. What makes you think you can help redress the critical economic situation in Cambodia?

[Son Sann] Allow me to be frank in answering this question. There is a serious problem in Cambodia at present as all of you know. You said the economic situation in Phnom Penh is critical. And you know that I served Cambodia since after 1946 as an expert in the economic-financial field. Therefore, if all the brothers allow me to, I am ready to take on the job, no matter how difficult it may be. I think that if I ask to do that job all brothers in Cambodia, all four factions in the SNC, will surely accept and support me. If I dare ask to do the job it is because I know the job. I served Samdech Norodom Sihanouk for many years after 1946. I know that the samdech is a great, true patriot and I served him in the past. Now I am asking to serve him again. I am sure he would support me, no matter what. For this reason, I rely on Samdech Norodom Sihanouk, who helped me in the past and who is going to help me again because the problem is very difficult. Now again, Prince Ranariddh said through the press that he supports my idea that the SNC should have ministries. If we want the SNC to function smoothly, the SNC must have ministries. Everybody knows that. It seems that the samdech himself is also agreeable to that idea.

What ministry should I take over? Of course I should occupy a ministry that I served in the past. I know that the job is difficult, that it is not easy. But I will rely on the full support of Samdech Norodom Sihanouk, who helped me in the past. Moreover, I will also rely on the brothers in the four factions. Now, one faction—that of Prince Ranariddh—because he understands me, voices support for me. Other factions, in my opinion, will surely support me, will help me sincerely because I volunteer to do one of the most difficult jobs. I dare do it because I am sure that the Cambodian brothers in all four factions will help me in order to restore the economic situation in Cambodia so that our country will no longer be poor. I know that this job is very difficult but if I do not do it, who will? If there is anybody else who will volunteer to do it, then I will let him do it. I do not insist on doing it for any personal gain. But I know that if I take over that job the international community will trust me and the brothers who work with me will have confidence in me. I am not going to work alone. I have asked for control over the economy but I will work with all four factions, not only just three like other committees which are accompanied by representatives of the other three factions wherever they go. I ask all four factions to work with me. The four factions will work and I will give them advice and provide them with international trust. I ask only this much and if this does not work, so be it. Our country is experiencing a crisis, a hard time and I deem it necessary to come in and help solve that problem.

In conclusion, I would like to reiterate, first, that Samdech Norodom Sihanouk will fully back me. Because of that backing, I am not afraid to do the job. Second, it is because I am confident that the brothers in the four factions understand me as everybody knows that the economic situation is critical. I am not saying that it is below zero, but I know that the problem is serious. Third, I know that our compatriots in Phnom Penh are suffering greatly from many daily-life problems. For this reason, I announce again and again that I will do my best to bring you jobs and sustenance. If I succeed, the brothers will be able to solve their own livelihood problems in the future. This is my duty. Because I can do it, I ask to do it.

I am not 100 percent sure that I will succeed because I do not have enough information about these problems; I do not know yet where the cause of these serious problems lies. As you said, the economy is below zero, but I do not know yet whether it is below zero or not. If all brothers in the four factions agree to let me, I will have to ask for a time to look at the situation first together with the brothers in Phnom Penh and in all other factions. Send anyone from each faction who wants to do the job. I need all four factions, not just three. I do not consider myself a minister. I need all four factions to help me because this is a national mission. If it is successful, the nation will benefit. If it fails, the nation will suffer.

[Correspondent] Thank you, H.E. President. The Cambodian people throughout the country who know about your wizardry in the economic field have considerable trust in you. At the same time, they are very concerned about the obstacles stemming from certain corrupt circles. These corrupt persons who think only of their personal gain may become obstacles to prevent you from succeeding in your economic rehabilitation efforts. What is your opinion?

[Son Sann] As you know, there is a serious problem that we must solve. I am not very conversant with other fields, but I used to serve the country in the economic sector. If I do not come in and, together with all brothers, work hard to solve the economic problems, who will do it? If no one does it, our country will continue to sink. For this reason, as I have already said, I am confident that I will get full backing from Samdech Norodom Sihanouk and full understanding from all four factions, for this will be a national mission. Consequently, I am not afraid to do it and to exert effort in order to do it. If one thinks that it is too difficult and one leaves the problems until after the elections before tackling them, the country will sink even deeper and no one will be able to redress it. We must solve the problems now and rectify the situation. For example, our people are paid too little and many do not have regular employment. We must help them now. I am not afraid to do it. I am going to do it if I am allowed. I will not insist if I am not allowed to do it because this is a very difficult undertaking. If there is anyone else who can do it, let him. I am not going to argue. I want to make this point clear.

Some brothers said they understood the reason for my going to Phnom Penh. But they did not. In the past, I thought that I would wait until everything in the country is all pacified and all four factions agree with each other after signing the 23 October Paris plan before returning to Phnom Penh as the work will then be relatively easy. But if all of us keep waiting, when will the country be really pacified since there are so many crises and problems? How can we hold meetings under the leadership of Samdech Norodom Sihanouk, meetings that must take place in Phnom Penh at the insistence of the international community? For these reasons, although the situation in Phnom Penh is not yet tranquil I have to go there. The brothers should understand me and should take that into consideration.

The duty of all Cambodians in whatever faction, in Phnom Penh or abroad or at the border, is to join hands to achieve national reconciliation. As I have said so many times before so that Cambodia can be independent and live forever, all Cambodians—men and women and young and old alike—must be united. This is the only way. All of us must join hands in supporting and abiding by the Big Five peace plan that we signed in Paris on 23 October. We must fully implement this plan of the Big Five. Only then will we have peace; only then will we be able to make our country prosper. All brothers should not think of anything else but joining hands with each other and agreeing with each other as of 23 October onward. Do not oppose each other. Understand each other. Join hands in serving the country and the people who are suffering very much because they do not get enough pay and some do not even have a job. Now that we see how critical the economic situation is all of us must help each other in order to make the country develop little by little until we can get international assistance in administration and management to rehabilitate our economy. Then we will not have to think too much.

[Correspondent] There is another question. I have learned that your presence in Phnom Penh has given joy and hope to our people who think that there are no more problems and that we will have peace forever. Moreover, you have once again appealed to the Hun Sen faction to release our brothers who have been imprisoned for serving our national liberation movement. I have personally learned that up to the present there are still many of our brothers in prison. Do you have any comment on this point?

[Son Sann] I still remember very well that during the SNC meeting in Beijing Mr. Hun Sen said on this matter that after the Big Five solution was signed in Paris—everybody knows that many clauses of this plan deal with human rights and the release of prisoners—he would implement that agreement. I am confident that Mr. Hun Sen has done what he stated in Beijing. Now, I do not know whether the prisoners you have mentioned are from recent arrests or not, but I am confident that Mr. Hun Sen would keep his promise. My biggest hope is that all of us will unite, all including those in Phnom Penh. I hope that we will solve the problem immediately without waiting for international organizations such as the Red Cross or Amnesty International or other human rights organizations to protest first before doing it. I therefore am confident that it will not be long before you see that the Phnom Penh side is now sincere about working for national reconciliation and solving the problem according to the Big Five solution. The people must wait and see and then you will be assured. Now it is only words. I will understand if you do not believe me.

I am going to Phnom Penh in order to help rebuild our country, to help solve current urgent problems, such as the economic problems for instance. Whether we will have true peace and happiness or not, you must wait and see. I dare not make promises. I only have the expectation that the Phnom Penh side will do what they have to do since they are party to the agreement. They must understand that all of us should unite and agree to solve all the problems.

[Correspondent] Before concluding, do you have anything else to say to our listeners?

[Son Sann] My respects to all venerable monks, dear compatriots: I have no other wish than to come and serve you in Phnom Penh under the leadership of Samdech Norodom Sihanouk. I see where the difficulties lie. If all four factions agree, I ask to help solve them. I am not going to work alone. I am going to work with all four factions in order to, first, work together and, second, understand each other so that in the future we can be reconciled. Before national reconciliation is achieved in the future, we must know how to work with each other in order to solve any problems that are now facing the country. For these reason, I am not waiting until the country is already pacified before going there. I go there now when it is in trouble in order to help. Together with all four factions, we will join hands in solving the problems, those multifarious problems, as you know. I have considerably changed my mind now. I want national reconciliation. In national reconciliation, I want that all brothers have employment and receive sufficient pay. Of course we despise corruption. Without relying on corrupt practices, how can we get you enough money? Those of you who receive low wages do not get enough money to support your families. It is hard to live without resorting to graft and corruption. But if in the future we get international aid, we will have sufficient resources and funds to pay you and you will know your duty and will not violate the rules. This is my expectation. Also, all venerable monks and brothers who understand me must help me because I cannot solve these problems alone. All of you, including the representatives of the four factions with Samdech Norodom Sihanouk in the chair, all of you in Cambodia must help me. Only then will the problems be solved. It is with this expectation that I volunteer to solve the problems, if all of you allow me to do it. If you do not allow me, I am not going to do it. I would understand. If you do not want me to do it, if you do not want me to have troubles, I will not insist.

Corruption Said Threatening Peace Plan

BK2712094491 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 27 Dec 91

[Political commentary by Khuon Khemarin: "Corruption is Threatening the Cambodian Peace Plan"]

[Text] Students in Phnom Penh recently staged anti-corruption demonstrations, bringing about a dramatic confrontation between the students and the Phnom Penh regime's security forces—something unprecedented in Cambodia over the past two decades. The demonstrations turned into riots and clashes between the students and Heng Samrin police, and the armed attack by the Phnom Penh regime's security forces caused death and injury .o a number of people.

The demise of the victims is a sadness for the Cambodian people in general. However, the violence advocated by the Cambodians at a time when all Cambodians are moving toward peace is a threat to Cambodia's peace. Anyway, who is responsible both for the tragedy in which Cambodian blood continued to be shed and the present threat to peace to which all the Cambodians are looking forward? All in all, it is corruption and those who are responsible for the corruption. It must be dishonest people who are responsible for the bloody demonstrations and the sabotage of peace in Cambodia.

Corruption has been rife in the Phnom Penh regime for years, that is, ever since the creation of the regime by the Vietnamese forces. Corruption is rampant and out of control within the leadership of the regime. In recent months, when the United Nations came to work as a transitional authority in Cambodia [UNTAC], state property was sold to private individuals, then a big part of the money from the sale went into the pockets or coffers of the Phnom Penh regime's cabinet ministers, who directly administered the property, informed sources in Phnom Penh said. As such, the student demonstrations were simply the answers to the situation.

In an authentic democracy, the populace are free to air their grievances and to object to everything running against their interests. The endurance of the people living for years in the communist political environment, with only one ruling party in which freedom to protest is prohibited, has now violently exploded.

The day when the anti-corruption demonstrations broke out should be considered the historic day of the rebirth of democracy in Cambodia—democracy can breathe again in the country. And by all accounts, the demonstrations have not caused the Cambodian peace plan to be in the least jeopardized. Conversely, the corruption and the suppression involving the shooting of students are the threat to the implementation of the peace plan in Cambodia and the people's political rights to exercise democracy in Cambodia. Therefore, in order to thwart the threat to Cambodia's peace, it is imperative to do away with the corruption which constitutes the root cause [of the threat]. And in order to curb the corruption, the Cambodian people should be completely and genuinely free to continue their violent anti-corruption demonstrations. Should there be a violent crack down by the Phnom Penh regime's security or military forces bringing about bloodshed and endangering the peace plan in Cambodia, the responsibility will lie not with the Cambodian protesters but the corruption and those who are responsible for the corrupt practices.

U.S. Envoy's Concern Over 27 Nov Attack Cited

BK2112080691 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Dec 91

[Text] The U.S. ambassador [to Cambodia's Supreme National Council] said the cruel attack in Phnom Penh on 27 November 1991 endangered the Supreme National Council [SNC] and the Paris accord.

Answering a question recently posed by Voice of America's correspondent in Washington about the impact on the implementation of the Paris 23 October 1991 accord of the attack on the residence and Their Excellencies Khieu Samphan and Son Sen—members of the SNC from the party of Democratic Kampuchea [PDK]—in Phnom Penh, Mr. Charles Twining, U.S. ambassador to the Cambodian SNC said: We are concerned over the 27 November 1991 incident. Any impediment to the PDK's participation will do away with the existence of the SNC. The U.S. ambassador added: If the SNC is not plenipotentiary, the Paris accord cannot be implemented, anyway.

Khmer Rouge Radio Says Rallies Held in Provinces

BK2712042491 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Dec 91

[Text] According to reports from various sources, local and foreign, demonstrations and unrest among the Cambodian masses against corruption are taking place in Phnom Penh and provincial towns.

1. The demonstrations and unrest among the Cambodian masses took place in Phnom Penh on 17, 18, 19, 20, 21, and 22 December 1991. All these continue in Phnom Penh. There was a bloody repression resulting in the death and injury among some demonstrators, including students.

2. In Kompong Cham provincial town a fairly large anti-corruption demonstration took place on 21 December.

3. In Battambang, a mass demonstration against corruption was held on 21 December. A number of A-3 policemen and soldiers of the Phnom Penh side also took part in these demonstrtations.

4. In (?Pursat), an anti-corruption demonstration was held on 21 December.

5. On 23 December, a mass demonstration against corruption was held in Rokakaong in Kandal Province.

6. In Prek Kdam, an anti-corruption mass demonstration was staged on 23 December.

PDK Rejects Cease-Fire Violation Accusation

BK2712022091 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 26 Dec 91

["Rejection of the Accusation that Forces of the Party of Democratic Kampuchea Attacked Phnom Penh Troops on Route 12 in Kompong Thom Province;" undated—read by announcer]

[Text] I. It has been openly reported that the Phnom Penh side has leveled an accusation saying that the forces of the Party of Democratic Kampuchea [PDK] attacked the Phnom Penh side's troops on Route 12 in Kompong Thom Province. Such accusations have been frequently broadcast according to which the PDK forces have attacked the Phnom Penh side's troops here and there.

II. We fully reject all these past, present, and future reports.

III. The following is what really happened in Cambodia:

1. There is a Paris agreement on Cambodia dated 23 October 1991.

2. Vietnamese aggressor forces continue to constantly carry out activities against the resistance forces as they have since the day the Paris agreement was signed. Vietnam's political aim in carrying out activities against the resistance forces is to seize as much liberated territory as possible. This is in order to seize the land, economy, and people to run and win in the forthcoming elections.

In these incessant attacks against the resistance forces everywhere in Cambodia, the Vietnamese aggressor forces have caused further suffering and hardship to the people. The Vietnamese are angry because of the clause in the Paris agreement saying that there should be a control on the withdrawal of all foreign aggressor forces from Cambodia. The Vietnamese have made all-out efforts to fire on, repress, and kill the Cambodian people; burn houses and villages; and liberally fire on the people's cattle. The sound of big and small guns is still heard throughout Cambodia. Everyone knows and hears about this whether they are on the ground or in the sky.

More recently, fresh Vietnamese forces have been successively brought to Cambodia, particularly in the eastern part of the country. We know that these fresh Vietnamese troops were recently pulled back from the Sino-Vietnamese border.

All these are facts and events currently taking place in Cambodia.

IV. The problem is this: How to concretely end Vietnam's war of aggression in accordance with the Paris agreement? How to make the cease-fire become a reality in Cambodia? How to make the Cambodian people have peace and calm so that they can earn a living? How to restore peace with independence in Cambodia? And so on.

This is a group of questions that some people have flagrantly ignored to this day. For the Cambodian people nationwide, they can cleary see this: they are constantly victims of the Vietnamese aggressor forces, which still remain in Cambodia and carry out activities everywhere in Cambodia with no oversight. Thus, the Vietnamese aggressors are elated; they are carrying out military activities in Cambodia at will.

The Cambodian people clearly realize that the war has not yet ended because of the continued presence of the Vietnamese aggressors in Cambodia. The Vietnamese are in rural areas and in Phnom Penh. The Cambodian people further clearly know that without the control of the Vietnamese aggressor force in accordance with the Paris agreement, the war in Cambodia would continue, causing further suffering, hardship, and destruction.

The Cambodian people know and realize that there should be two transitional state organizations jointly responsible for the implementation of the Paris agreement, jointly responsible in ensuring that all Vietnamese aggressor forces are withdrawn from Cambodia and in controlling the four Cambodian sides' forces, jointly organize elections, and jointly supervise the elections in Cambodia. The Cambodian people welcome the establishment of the Supreme National Council [SNC] headed by Samdech Norodom Sihanouk, Cambodia's head of state.

However, the enemies continue on their path of destruction and prevent the SNC from functioning. The UN transitional authority has not yet been put in place. It is because of all this that the Paris agreement cannot yet be implemented. Vietnam continues to be in control in Cambodia, in the provinces and in Phnom Penh.

As for the accusations leveled here and there, the PDK will not comment on them to cause conflict among Cambodian sides because the PDK clearly realizes that in the war in Cambodia, Vietnam is the aggressor which has not yet pulled out from Cambodia. Vietnam continues to carry out military activities in Cambodia. The origin of the fire is Vietnam and not from Cambodians.

Thus, the solution to end Vietnam's war of aggression in Cambodia is not for Cambodians from this or that group to level accusations at one another. This is a matter the SNC cannot solve alone. This involves the implementation of the Paris agreement by two clear state organizations. The first is the SNC and the second, the UN Transitional Authority in Cambodia [UNTAC]. This is the crux of the matter. However, the enemies keep doing this and that to dupe the people to the point of making some confused and unable to grasp the situation. Some Cambodians have even come to being of two minds through debating and discussing the issue.

In sum, the Vietnamese forces remain the focus in the current Cambodian problem. The Vietnamese aggressor forces are still carrying out activities in Cambodia, in rural areas and in Phnom Penh. The problem to be solved is to get all the Vietnamese aggressor forces out of Cambodia with UNTAC and SNC cooperation and to make sure that all Vietnamese aggressor forces are withdrawn from Cambodia. Only when all the Vietnamese aggressor forces are out of Cambodia can all the issues be resolved, namely:

1. To ensure that a genuine cease-fire takes place in Cambodia;
2. To restore peace with independence in the country;
3. To reconcile and unify the four Cambodian sides and all Cambodians; and
4. To create a stable situation and the political atmosphere for organizing elections in the country.

Amnesty Official, Minister View Khmer Violations

BK2112102491 Phnom Penh SPK in English 0415 GMT 21 Dec 91

[Text] Phnom Penh SPK December 21—Khmer Rouge leaders should be brought to international court for trial, said Roger Clark, general secretary of the Amnestry International, during his meeting here recently with Cambodian Deputy Defence Minister Ke Kimyan.

The Khmer Rouge was responsible for their assassination of more than three millions Cambodian people during their reign from 1975-78.

"If Khmer Rouge ringleaders were not brought to trial, it meant that the protection of human rights in Cambodia was not fully implemented," he said.

The defense minister, after briefing his guest on the release of political prisoners in Cambodia and the implementation of the peace accord signed in Paris last October, expressed his concern over the Khmer Rouge violation of the agreement, saying that the Khmer Rouge are still continuing to harass the people at remote areas.

In Kompong Thom, he said, the Khmer Rouge troops plundered the people in some areas while in Kompong

Cham they marauded people and killed one communal chief in Thbong Khmum District.

Moreover, Ke Kimyan added, Khmer Rouge have forced refugees in their controlled camps along the Cambodian-Thai border to live in malaria affecting region in Cambodia.

Ke Kimyan affirmed that he would do all his best to cooperate with the Amnesty International for freedom and justice in Cambodia.

Phnom Penh, FUNCINPEC Army Officials Meet

BK2712035291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 26 Dec 91

[Text] On the afternoon of 24 December, at the office of the Defense Ministry, Lieutenant General Phuong Siphan, deputy chief of staff of the Cambodian People's Army, held a working meeting with General Kruoch Yoeum, deputy chief of staff of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

The two sides exchanged views focusing their attention on major tasks to be implemented soon, such as the repair of roads in Samraong Chongkal in Siem Reap-Oddar Meanchey Province. They also discussed the plan to exchange delegations with the intention of further clearly showing goodwill in national reconciliation, alliance, relations, and cooperation to quickly build Cambodia.

Hor Namhong, UNESCO Envoy Discuss Aid

BK2412063691 Phnom Penh SPK in French 0200 GMT 24 Dec 91

[Text] Phnom Penh 23 Dec (SPK)—In their recent talks, Hor Namhong, Cambodian foreign minister, and Mr. Richard Engelhart, UNESCO representative to Cambodia, discussed the possibilities of aid from UNESCO.

The minister thanked the organization for its U.S. $130,000 aid to the study program of the Cambodian-Soviet Friendship Technical School and U.S. $50,000 aid to the restoration of the National Museum and the procurement of school books.

Mr. Richard Engelhart pledged to do his best to help Cambodia in the educational and cultural fields and in the restoration of the Angkor temples.

During an official visit to Cambodia, Mr. Frederico Mayor, UNESCO director general, reckoned that his organization needed U.S. $100 million for the restoration and preservation of the Angkor temple complex.

Last month Cambodia joined the convention on the protection of the world's cultural heritage signed by 115 countries.

Chea Sim, Thai Envoy Discuss Political Situation

BK2512104491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Dec 91

[Text] At 0800 on the morning of 24 December at the National Assembly, His Excellency [H.E.] Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, National Assembly, and the National Council of the Kampuchean United Front for National Construction and Defense, granted an audience to H.E. Sunai Bunyasiriphan, permanent representative of the Kingdom of Thailand to Cambodia.

On that occasion, H.E. Sunai Bunyasiriphan expressed his joy over the opportunity to carry out his diplomatic mission in Cambodia. He promised to strive to carry out this noble mission successfully to firmly strengthen and expand the ties of solidarity, friendship, and cooperation between Thailand and Cambodia.

H.E. Sunai Bunyasiriphan informed H.E. Chea Sim of Thailand's project to help repair a stretch of road leading from Poipet town to Sisophon District.

Speaking on that occasion, H.E. Chea Sim warmly welcomed H.E. Bunyasiriphan's presence in Cambodia and said that his mission would greatly contribute to further strengthening and developing the bilateral relations of the two neighboring countries which have similar traditions, customs, and culture.

H.E. Chea Sim highly valued the Thai Government's efforts in helping to speed up the political solution to the Cambodian problem to its final stage, adding that Thailand would have an important role in restoring and rebuilding Cambodia. He also informed H.E. Bunyasiriphan about the recent riot in Phnom Penh which was incited by armed agitators with the intent of hindering the implementation of the Cambodian peace agreement, and the violations of the peace agreement by the other side.

H.E. Chea Sim emphasized that the CPP and the State of Cambodia Government had sincerely implemented the peace agreement which was signed on 23 October in Paris.

Party Paper Marks Vietnamese Army's Anniversary

BK2412102391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 23 Dec 91

[PRACHEACHON editorial: "The Brilliant Heroism of the Heroic Vietnamese People's Army Will Always Be Full of Great Honor and Dignity"]

[Text] This year, our people take part in marking the 47th anniversary of the Vietnamese People's Army [VPA] with happiness and gratitude. On 22 December 1944, a child of Uncle Ho, with exemplary behavior, was born within a vigorous revolution movement to secure national independence, peace, freedom, and happiness for the people.

Born from the people and for the people, the VPA has always consistently implemented the slogan "Loved by the people during the mission and missed by the people after it." This is the finest heroism. For 47 years full of tests and trials to overcome all difficulties in the cause to firmly defend the Vietnamese motherland, Uncle Ho's courageous children have from day to day consolidated and expanded their character. They have carried the heaviest burden, overcome all difficulties and obstacles, and defeated all enemies. They have remained the same.

The priceless heroic model has left us, the Cambodian people, in our hearts, an impression of precious gratitude toward the heroic VPA, who saved the Cambodian people from the (?grip) of the genocidal Pol Pot regime. The VPA presence in Cambodia, at the request of the Cambodian people, over the past years, has enabled the Cambodian motherland to gradually move forward and blossom. The progress of our motherland and the consolidation of our Cambodian land cannot be separated from the [words indistinct] and priceless of the VPA, which gradually returned home leaving the spirit and experience to the Cambodian People's Army [CPA] to assume responsibility for the destiny of its own country. The complete withdrawal of Vietnamese volunteer troops [words indistinct] 1989 was an historic turning point which promoted negotiations in various international arenas to search for a solution to the Cambodian problem and led to the signing of the peace agreement in Paris on 23 October. This was the Cambodian people's long-standing aspiration. Furthermore, now, and in the future, the implementation of the agreement is proceeding quickly, enabling the light of peace and national reconciliation to emerge.

Recalling the founding anniversary of the VPA, the Cambodian party, government, and the CPA would like to express profound gratitude [words indistinct] of the VPA for saving the Cambodian people from the genocidal regime and firmly reviving the Cambodian motherland. We would like to extend best wishes to the Vietnamese party, government, and Army for successes in national construction [words indistinct]. May the (?heroism) of the courageous and valiant VPA remain fragrant. May the VPA vigorously move forward and achieve more noble honors to contribute to advancing the Vietnamese motherland and making it blossom.

General Staff Chief Greets SRV People's Army

BK2512094791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 24 Dec 91

[Text] On the occasion of the 47th founding anniversary of the Vietnam People's Army [VPA], Senior Lieutenant General Pol Saroeun, chief of the General Staff Department of the Cambodian People's Armed Forces [CPAF], has sent a message of greetings to Senior Lieutenant General Dao Dinh Luyen, chief of the VPA General Staff Department. The message said:

Dear senior lieutenant general: On the occasion of the 47th founding anniversary of the fraternal VPA, on behalf of the cadres and male and female combatants of the CPAF General Staff and in my own name, I would like to extend warmest greetings and best wishes to you and the cadres and male and female combatants of the fraternal VPA's General Staff.

During the past 47 years under the correct and clear-sighted leadership of the Communist Party of Vietnam, the heroic VPA—an armed unit which was born from the Vietnamese people's armed uprising against the French colonialists and formerly equipped with only very ordinary weapons—is now an Army which has conquered all colonialist, imperialist, and expansionist forces and fulfilled its sacred goals of independence, freedom, national unification, and construction of the Vietnamese motherland toward socialism.

In addition to this, through their firm spirit of proletarian internationalism, the Vietnamese Army and people have jointly fought arduously to liberate the Cambodian people from the past catastrophe and helped us in building and defending our country, thus enabling us to gradually defend and build our country by ourselves.

I would like to express our gratitude to the Vietnamese Army and people and our conviction that the bond of solidarity, friendship, and cooperation between our two peoples and armies, and particularly between our two General Staff Departments, will be further consolidated and developed on a firm, everlasting basis.

May you, the deputy minister, and cadres and male and female combatants of the VPA General Staff Department enjoy good health, abundant strength, and successes in carrying out all tasks assigned by the party and people.

Please accept my sincere salutations and best regards.

UN Envoy on Difficulties of Mine-Clearance

BK2312070091 Phnom Penh SPK in English 0428 GMT 23 Dec 91

[Text] Phnom Penh SPK December 23—Thousands upon thousands of mines must be cleared before some 350,000 refugees can start going home to Cambodia next March, the U.N. refugee official responsible for the country was quoted by AFP as saying at the weekend.

Sergio Vieira de Melle, appointed special envoy for Cambodia by the U.N. High Commissioner for Refugees (UNHCR), said "It's difficult to find a place in Cambodia that's not next to or right inside a minefield."

The United Nations needed help and maps from the Cambodian Government and all the three rebel factions that have signed a peace agreement with Phnom Penh, in order to find the mines, he told AFP here.

The military contingent among U.N. forces in Cambodia will include up to 500 mine-clearance experts from France and New Zealand, but they will not include up to be enough without assistance, the special envoy said. [sentence as received]

The exercise goes hand-in-hand with efforts to find available fertile land for returning refugees, whose lives could be particularly threatened by almost undetectable plastic anti-personel explosives. Possible sites have been pinpointed in French satellite photos.

The U.N. commissioner herself, Sadako Ogata, will visit Cambodian refugee camps in Thailand next January 12 to 19 to assess the logistical problems arising in the U.N.'s Cambodia repatriation plan, Vieira de Mello said.

Describing the plan as "enormously complex," he explained that it called for the establishment of a year's worth of food stocks at six centres, along with an emergency medical programme for the refugees, many of whom will be returning to mosquito-infested zones after up to 12 years in reasonable sanitary conditions.

Asked about reports that Khmer Rouge guerrillas were forcibly repatriating people from Thailand already, Vieira de Mello said the U.N. had installed a virtually permanent presence in the camps, notably those run by the main armed faction in the formerly rebel coalition.

"Any attempt at forced repatriation will be reported to us immediately," he said, adding that U.N. officials had almost completed a list of refugees, in which they freely indicate to which parts of Cambodia each wishes to return.

Hun Sen Inagurates New Junior High School

BK2112133391 Phnom Penh SPK in French 0400 GMT 21 Dec 91

[Text] Phnom Penh 21 December (SPK)—A junior high school in Banteay Srei District of Siem Reap-Oddar Meanchey Province, some 300 Km northwest of Phnom Penh, was recently inaugurated by Mr. Hun Sen—chairman of the Council of Ministers and member of the Supreme National Council—who accompanied Senator Gareth Evans, Australian minister of foreign affairs and trade, to visit the province.

The school is built from funds contributed by the local populace and three million riels from the state.

During the visit, Mr. Hun Sen, on behalf of the government, donated gifts to some 300 unsupported handicapped persons; four million riels to the construction of the local monasteries of Damrei, Run, Preah Dak, and Thbeng, and one million riels for the erection of a primary school in the compound of Thbeng Monastery.

Indonesia

Commission Submits Final Report on Dili Incident

BK2612121091 Jakarta ANTARA in English 1109 GMT 26 Dec 91

[Text] Jakarta, Dec 26 (OANA-ANTARA)—The National Investigation Commission (KPN) that inquired into the November 12 incident in Dili, East Timor, believes the government should deal with all persons involved in the event, because the tragedy had left 50 persons dead and tens others injured as the result of shootings and beatings.

KPN Chairman Supreme Judge M. Jaelani told the press after reporting to President Suharto on Thursday that in the incident certain irregular and out-of-command Armed Forces (ABRI) members had fired shots and commit beatings.

However, Judge Jaelani also pointed out that the incident could not be separated from the activities of anti-integration groups and members of the Fretilin security disturbing gang.

He noted that when Pope John Paul II said a mass in Dili on October 12, 1989, around 20 youngsters demonstrated. Then on November 4, 1989, 50 youngsters pelted security officials in the city.

On October 8, 1990, a number of students from the Santo Paulus Junior High School in Dili beat security officials and seized their arms. Before that, on September 4, around 20 youngsters demonstrated and spread banners displaying anti-integration writings while flying the Fretilin banner.

A KPN member, Hadi Wayarabi Alhadar said during the November 12, 1991, incident a number of foreigners had come to Dili on tourist visas and fanned the anger of the Dili youngsters. While the youths yelled anti-integration slogans, the foreigners took pictures and recordings of their actions.

Meanwhile, Minister/State Secretary Murdiono, who was present when the KPN reported to the president, told reporters that the president would soon summon Defence Minister L.B. Murdani, Armed Forces Chief Commander General Try Sutrisno, Attorney General Singgih and Army Chief of Staff Sudrajat for a discussion of a follow up to the KPN's report.

Murdiono conveyed President Suharto's condolences to those East Timorese who had lost their family members, especially those innocent ones.

The president also expressed his concern and sympathy to those families which still do not know the whereabout of their members, Murdiono said.

He stated, since forming the KPN on November 19, President Suharto had deliberately avoid any meeting with members of the KPN in order not to influence the independence of their inquiry.

While listening to the KPN's report, President Suharto took written notes a number of times, which he seldom did, showing that the president highly respect the KPN, Murdiono noted.

Asked on differences in the number of victims publicly reported, including the official figure of 19 killed, Jaelani explained one of the difficulties faced was the fact that the corpses had not been properly identified.

The corpses were not photographed and their names identified.

Also, the families concerned did not have adequate opportunity to identify their relatives.

He said one other difficulty was the fact that a number of the victims had escaped after the incident and then died.

We didn't know precisely how many had run away in such a manner and later died, Jaelani said.

Asked on the reasons for coming out with the figure, he said the figure received based on the information from some witnesses and other sources.

There are other versions saying that the incident claimed 60 or 100 lives, he added.

We can not provide exact number, but a number of 300 victims is impossible, Jaelani said.

Explaining on the action taken by the Armed Forces officers against the demonstrators, he said it was because there were in fact some members of the trouble maker movement (GPK) appearing in the city.

So there was a chaos or riot. Because they were emotional, they shot, hit and stabbed with knives, he explained.

The officers became emotional because two of their colleagues, Major Gerhan Lantara and another officer, Domingos were stabbed by the demonstrators, he said.

Despite there was an anti riot unit, the commission did not see that the Armed Forces officers had used the anti riot procedures optimally.

The action taken by some security officers have gone beyond the limit of propriety so that it caused the fall of victims, he added.

The concluding part of the report said the November 12 incident in Dili was the peak of a series of demonstrations and previous incidents conducted by an anti-integration group/Fretilin trouble maker movement (GPK).

GPK Fretilin, which is being pushed and has changed its operation pattern from forest guerrilla into city guerrilla, has misused the policy of the East Timor development which is following a welfare and loving approach.

Fretilin has also used the social gap among the younger generation and influenced the youngsters to oppose the integration and to attract the international attention to its existence at the same time.

The incident which claimed a number of injured and dead victims is obviously not something which happened based on an order or policy of the government or the Armed Forces, the KPN stated.

In fact, the incident is a regrettable disaster, the report said.

There were provocative elements planned by the anti-integration group/GPK Fretilin in the November 12 demonstration. It was not a peaceful procession aimed at paying homage to Sebastian Gomes, the report said.

The demonstrators mostly comprising youngsters, had been acting brutally, emotionally and destructive, partly because they had been incited by the anti-integration group/GPK Fretilin, according to the KPN.

In addition, they showed the Fretilin and Falentil flags and the picture of GPK Fretilin Chief Xanana deliberately, while shouting yells of anti-integration and insulting the security officers.

A number of foreign citizens took active part in the demonstration.

In the peak of the tense condition—which began with the stabbing of an officer and the injuring of a member of the Armed Forces (ABRI), the brutality of the mob and the mass attack which was felt by the security officers as a threat to their life—the troops reacted spontaneously to defend themselves without any command and opened fire at the mob which caused dead or injured victims.

At the same time, a group of unorganized security troops who were not under a command also opened fire and maltreated demonstrators which also added the number of victims in handling the November 12 incident, even though anti-riot forces have been available, the KPN did not see any maximum efforts/procedures of handling of the riots. The action of a number of security officers exceeded the limit of toleration which caused the falling of the dead or injured victims.

Even though the number of the victims were so far said at 19 dead and 91 injured, the KPN has a strong reason to say that the number of the dead victims were about 50 people and the injured ones were more than 91.

Those who died were not handled properly because even though the autopsy was done, the dead bodies could not be identified accurately.

Besides that there was no enough time given to the family members/friends of the dead victims to indentify the bodies.

The KPN is of the opinion that for the sake of the enforcement of the law, all people who were involved in the November 12 incident and those who were suspected of violating the law have to be given sanctions and be processed in accordance with the law of Indonesia which is based on the Pancasila state ideology and the 1945 Constitution.

Finally, the commission concluded: in executing its task, KPN enjoyed full assistance from all sides, including the government and Armed Forces, church and public leaders. It has to be acknowledged, however, that some obstacles were felt because a number of witnesses declined to give information because they were in fear of being considered directly involved in the November 12 incident in Dili or afraid of being branded as anti-integration.

The report was signed by the chairman and all members of KPN, namely: M. Jaelani SH, Chairman and member, Drs. Ben Mang Reng Say, Clementino Dos Reis Amaral, Harisugiman, Drs. Hadi A Wayarabi Alhadar, Anton Sujata SH, and Rear Admiral Sumitro, all of them members.

Armed Forces 'Respects' Findings

BK2612122091 Jakarta ANTARA in English 1113 GMT 26 91

[Text] Jakarta, Dec 26 (OANA-ANTARA)—The Indonesian Armed Forces (ABRI) respects conclusions on the November 12 Dili incident by the independent National Investigation Commission (KPN) that the incident killed about 50, ABRI chief spokesman Brigadier General Nurhadi Purwosaputro said here Thursday.

Before a number of Jakarta's editors-in-chief, Nurhadi said, ABRI does not doubt conclusions of KPN.

In its preliminary report, the KPN which was headed by Supreme Judge M. Jaelani said that, the commission has enough strong reasons to believe that the number of victims who died were around 50 people and the injured more than 91 people.

It further said that while the crowd of mourners had provoked the army, some soldiers had overreacted.

Upon question on why the death toll was much higher than the widely disputed 19 previously given by ABRI, Nurhadi said, the figure was based on reports collected until the time ABRI made the announcement about the incident.

At a hearing with the Parliament's Commission I [Roman One] (foreign and defense/security affairs) on November 27, ABRI Commander General Try Sutrisno said the incident killed 19 and injured 91.

Resistance Movement Rejects Report

BK2712074891 Melbourne Radio Australia in English 0500 GMT 27 Dec 91

[Text] The East Timorese resistance movement has rejected Indonesia's inquiry into the massacre last month in the provincial capital Dili and has also rejected Australia's reaction to the inquiry's findings. Speaking in the north Australian city of Darwin, a spokesman for the movement, (Jose Ramos Horta), says the death toll far exceeds even the revised Indonesian figure of 50 people killed.

The Indonesian Army repeatedly said after the massacre at a funeral service in Dili that 19 people were killed. The inquiry set up by the Indonesian Government now says 50 people were killed when soldiers fired on the crowd after what they claimed was provocation by armed demonstrators. Witnesses say there was no provocation and that between 100 and 200 people were killed.

(Mr. Horta) says remarks by Australia's Foreign Minister Senator Gareth Evans that the inquiry's results is better than expected do not ring true.

[Begin (Horta) recording] It is still a whitewash. It is not better than expected. It is just as bad as it was expected to be if they are whitewash. Of course, Gareth Evans is all exicted about it, because for him this is a great opportunity to allow him to get off the hook, so he had (?to protect the contents) of this report. [end recording]

Mr. (Horta) says the only way to get a proper account of the death toll is by an international inquiry.

Government Welcomes New Commonwealth of States

BK2612124391 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Dec 91

[Text] Indonesia welcomes the formation of the Commonwealth of Independent States replacing the USSR. However, Indonesia is still carefully monitoring further development of the situation before establishing formal diplomatic ties with the breakaway republics.

Responding to newsmen in Jakarta today, Foreign Minister Ali Alatas said that as far as Indonesia is concerned, the process of diplomatic recognition is not political, but primarily administrative in nature. As for the position of the Indonesian Embassy in Moscow, Minister Ali Alatas said, it looks like it will be accredited to the Federation of Russia, a member of the Commonwealth. Indonesia will later think of recognizing the other republics.

Scientists Laud Suharto for Nature Conservation

BK2412123191 Jakarta ANTARA in English 1007 GMT 24 Dec 91

[By Fardah Assegaf]

[Text] Jakarta, Dec 24 (OANA-ANTARA)—An appeal made by Indonesia's President Suharto to the international community to preserve the great apes of the world has been fully supported by participants of the international conference on great apes as reflected in their declarations.

Over 90 experts of international reputation, in declarations issued at the end of their meeting taking place in Tanjung Puting, Central Kalimantan, recently, called on all nations to give special consideration to great apes because of their close relationship to humankind.

They also urged all nations of the world to work together towards a new world of an environment where great apes, and other endangered species, and mankind can coexist in perpetuity.

Great apes comprising bonobo, chimpanzee, gorilla and orangutan are highly intelligent and the most closely related animals to humankind. But they are highly endangered in their native habitats stated the scientists, who have studied and worked to conserve the great apes and other endangered species for years.

Native habitats of orangutans are only on the islands of Sumatra and Kalimantan (which is shared by Indonesia, Malaysia and Brunei). While bonobos, chimpanzees and gorillas are found in African countries such as Angola, Burundi, Cameroon, Central Africa, Congo, Gabon, Ghana, Guinea Bissau, Equatorial Guinea, Ivory Coast, Guinea, Liberia, Mali, Nigeria, Rwanda, Sierra Leone, Sudan, Tanzania, Zaire and Uganda.

The great apes in those countries are continually threatened by people who have been destroying the animals' habitat and/or have been poaching, trading, or otherwise exploiting the animals themselves.

In the case of orangutans, infant orangutans are main targets of poaching, smuggling and trading illegally. In order to capture an infant, some adult organgutans often become victims of poachers since young orangutans are almost inseparable from their mothers.

To help preserve the great apes, the international community can either provide direct assistance or develope the science and technology related to the preservation of the species and their habitat, said President Suharto in his opening address of the conference at State Palace, Jakarta, December 18.

The scientists in their Tanjung Puting Declaration declared their recognition to the efforts expended by the Government of Indonesia to protect orangutans and their lowland rain forest habitats, particularly in the establishment of nature reserves and of the Tanjung Puting, Kutai, Gunung Palung and Gunung Leuser National Parks.

President Suharto was presented with the most distinguished honor award for 1991-1992 by Dr. Birute Galdikas of the orangutan foundation and Dr. Jane Goodall of the Jane Goodall Institute during the conference opening ceremony.

In their declaration, the scientists expressed their respect to the high quality of new Indonesian legislation dealing with environmental issues and nature protection.

Laos

Kaysone Addresses Organizational Work Meeting

BK2712105491 Vientiane KPL in English 0911 GMT 27 Dec 91

[Text] Vientiane, Dec 27 (KPL)—The 7th national conference on organisational work participated by officials responsible for the work from various state bodies throughout the country has ended after a 10 day session.

Present at the closing session were Kaysone Phomvihan, president of the LPRP CC [Lao People's Revolutionary Party Central Committee], president of the Lao PDR [Lao People's Democratic Republic], other members of the Political Bureau and Central Committee of the party, ministers, provincial party secretaries.

President Kaysone on the occasion gave talks to the participants, saying that the conference was of special importance since it was held at a time when the party was implementing a comprehensive renovation policy and the world situation was undergoing a complex development. He added the party has a direct responsibility for the existence and growth of the new regime in the country, that is why it must step up its building to be strong politically, and organisationally and boost its role deserving as the leading core in the political system.

He also pointed to the effort to strengthen the renovation tasks of the party with its qualified and capable members and cadres, in particular the change in the ideological and organisational area along that in economic area.

On his part, Thongsing Thammavong, head of the Party CC Organisational Board, made a summary on the outcome of the conference saying briefly that the outcome of the conference once again reflected the unity and unanimity in the entire party and people, indicating in the fact that all the delegates were active in conducting discussions and exchanges of views on many important issues relating to the organisational and party building work.

Border Peacekeeping Meeting With Thailand Viewed

BK2612142891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Dec 91

[Joint press release on the first meeting of the Lao-Thai general border peacekeeping coordinating committee held in Bangkok on 23 and 24 December 1991—dated 24 December]

[Text] 1. On 23 and 24 December, the first meeting was held by the Lao-Thai general border peacekeeping coordinating committee at the Joint Coordination Center of the Military Supreme Command in Bangkok with His Excellency Lieutenant General Choummali Sai-Gnason, minister of national defense of the Lao People's Democratic Republic [LPDR], as cochairman on the Lao side and General Suchinda Khraprayun, military supreme commander, as cochairman on the Thai side.

2. The meeting was conducted in an atmosphere of profound friendship—the product of the signing of an agreement on cooperation to maintain peace and order along the Lao-Thai border by the governments of the two countries in Cha-am, Phetburi Province, on 17 August 1991.

3. The Lao-Thai general border peacekeeping coordinating committee has the power and duty to coordinate cooperation on the maintenance of peace, order, and security along the border in order to resolve any problem in a timely manner with a view to preventing it from developing into a major conflict, and to suppress crime and all illegal actitites taking place along the border, including promoting contacts and solving border problems at the local level.

4. The two sides consulted with each other on the maintenance of peace and order along the general Lao-Thai border and agreed to resolve various problems together as follows:

The suppression of crime and terrorist movements along the Lao-Thai border: The meeting unanimously agreed to jointly implement Item No. 3 in a memorandum reached at the joint consutative meeting between the military committees of Laos and Thailand on 17 August 1990 and to exchange information through liaison mechanisms in conformity with the internal laws and reguations of each country. The meeting reiterated the policies of their respective governments of not allowing any particular groups to use each other's territory as a staging area for committing aggression against each other. The meeting unanimously agreed that the general border peacekeeping coordinating committee and the peacekeeping cooperation committee at the provincial level must follow up and see to it that the policies of the governments of the two countries are implemented.

Lao refugees: The meeting unanimously agreed to cooperate with the office of the UN High Commissioner for Refugees [UNHCR], in accordance with the agreement reached at the tripartite UNHCR-Lao- Thai meeting, in making preparations to repatriate Lao refugees living in Thailand to Laos. This has been done in accordance with the agreement reached at the tripartite meeting and the policies jointly adopted by the governments of the two countries. The meeting agreed to develop coordination and cooperation among local authorities of the two sides to prevent illegal immigration.

Narcotics: The meeting agreed with the principle that the governments of the two countries and organizations concerned coordinate and cooperate with one another in suppressing narcotics and closely exchange information on the trafficking and smuggling of narcotics along the border areas of the two countries.

Organization of the cooperation mechanisms for maintaining peace and order along the Lao-Thai border: The meeting unanimously agreed that the fundamental mechanisms for cooperating with each other in resolving peace and security problems along the Lao-Thai border in accordance with the policies of the two governments and formulated by the general border peacekeeping coordinating committee are the provincial-level border peacekeeping coordinating committees. The meeting agreed to allow the joint Lao-Thai military committee established by the military supreme commanders of the two sides on 17 February 1988 to continue its duty as usual. This committee is an ad hoc unit that performs the coordinating duty for the general border peacekeeping coordinating committee with a border coordinating office for each side. As for the locations of such offices, they will be released later. The meeting agreed that the military attaches appointed by the two sides to be exchanged with each other are another mechanism for coordinating and cooperating in keeping peace and order along the general Lao-Thai border. In order to resolve in a timely manner any problems on peace and order taking place along the general Lao-Thai border, the two sides agreed to exchange information with each other through the existing channels of contact to the fullest extent, including from the provincial level upward, diplomatic channels, or the offices of the secretariat of the committee of both sides. If there is a need to develop contacts for coordination and cooperation in any area along the Lao-Thai border, the two sides must discuss with each other the designation of additional points of contacts for coordination. The meeting unanimously agreed to adopt measures or to take joint action to resolve any security problems along the Lao-Thai border to turn it into a border of genuine peace and friendship. This is to be done in accordance with the laws and regulations of each country and any agreements reached by the two sides. To make these measures or actions effective, coordination must be conducted both at the central and local levels.

6. [as heard] The meeting unanimously agreed to hold the second meeting of the Lao-Thai general border peacekeeping coordinating committee in Vientiane capital. The date and time of the meeting will be determined later.

7. The Lao committee expressed thanks to the Thai committee as well as the Thai Government and people for according it a warm welcome full of good will and friendship, thus serving to further strengthen the relations and mutual understanding between the Lao and Thai peoples.
Bangkok, Thailand
[Dated] 24 December 1991

'Gratis Aid' Agreement Signed With Japan

BK2512142791 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Dec 91

[Text] Notes of exchange on gratis aid from the Japanese Government were signed during a ceremony held at the Foreign Ministry on 25 December. The aid includes a 1991 year end debt clearance program worth 162,216,000 yen and the allocation of 347 million yen for the construction of the national television station. The money from the debt clearance program will be used for buying consumer goods, fuel oil, machinery, medical equipment, and medicines. The government of the Lao People's Democratic Republic [LPDR] was informed of the decision to grant gratis aid for the construction of the national television station during an official visit to the LPDR on 2 to 3 August 1990 by the Japanese foreign minister.

Signing the documents on behalf of the LPDR and Japanese Governments were Deputy Souban Salitthilat and His Excellency Shigemi Ando, Japanese ambassador extraordinary and plenipotentiary to the LPDR. The signing ceremony was also attended by high-level cadres from various ministries concerned and staff members of the Japanese Embassy.

Foreign Relief Aid to Flood Victims Noted

BK2412033391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 23 Dec 91

[Text] In an interview given to our radio reporters on the morning of 22 December, Kou Chansena, head of the Economy, Planning, Finance, and Cooperation Department of the Agriculture and Forestry Ministry, revealed that to date many friendly countries, international organizations, and nongovernment and private organizations have sympathetically answered the plea made by our Lao Government for relief and humanitarian aid for the Lao People's Democratic Republic to be given to victims of the recent natural calamities in nine provinces, particularly in Khammouane, Savannakhet, and Champassak Provinces.

The aid included 10 million baht from the Thai Government in the form of 620 metric tons of glutinious rice, eight small tractors, 400 metric tons of inorganic fertilizer, 2 tons of rodent pesticide, 2,040 liters of insecticide, and 260 insecticide sprayers; $1.5 million from the Dutch Government for purchasing 6,000 metric tons of inorganic fertilizer; a pledge of $500,000 from the Australian Government for purchasing polished rice; a verbal pledge given by the U.S. Embassy in Laos to the Agriculture and Forestry Ministry to buy 6,000 metric tons of polished rice for Laos; and 200,000 francs from the French Government given through the Red Cross Society.

In addition, the governments of many countries have also an expressed interest in giving relief materials to Laos by inquiring about accurate data from our government. The UN Development Program and other international organizations have already given U.S.$50,000 to our country for purchasing water pumps and rice seeds for people in the flood- and drought-ravaged provinces. The UN Food and Agriculture Organization has dispatched experts to Laos to conduct a survey on the exact losses caused by the calamities. It has pledged to give 8,000 metric tons of polished rice worth some U.S. $1.88 million and to shoulder the transportation and warehousing costs of the relief aid. The organization is also acting as a solicitor for our government in contacting many countries and international organizations for humanitarian aid in the forms of food supply and material tools for farmers to carry out agricultural production. Moreover, many nongovernmental organizations, such as CIDSE [International Cooperation for Development and Solidarity], World Concern, World Vision—a religious organization in Norway, and the Care organization in Australia, have already given some relief to Laos. They have pledged to continue giving us such aid in the future.

Swedish Assistance to Forestry Sector Cited

BK2412124791 Vientiane KPL in English 0931 GMT 24 Dec 91

[Text] Vientiane, Dec 24 (KPL)—A cooperation agreement on forestry development between Laos and Sweden (phase 3) was signed at the Ministry of Agriculture and Forestry.

Within the framework of this phase (1991-95), the Swedish International Development Authority (SIDA) will give a 34 million kronas aid to the Lao forestry sector in this year alone.

Signing the agreement were Mr. Sian Atsaphangthong, deputy minister of agriculture and forestry, and Mr. Per G. Kokeritz, charge d'affairs of the Swedish Embassy here.

Lao-Swedish cooperation in forestry has come into being for over 10 years. Initially, SIDA assisted during the first phase several forestry enterprises. This was to be followed by the second phase (1988-59),whereby SIDA assistane took the form of forestry develolment project.

This was an integrated approach including forest management and environment protection, introduction of fixed farming and rural development in general. Within this progamme, SIDA granted an aid amounting to 200 million kronas.

In addition, Sweden has also assisted in working out the Tropical Forest Action Programme for Laos (TFAP) which the Lao Government has already approved. This programme will serve as a guide line for sustainable forestry resource development and environment protection.

As for the 34 million kronas aid in 1992, it will serve six major forestry projects namely: the project for ending swidden cultivation considered destructive to forests, the project for the conservation of water sources and environment, the project for sustainable use of forest resources, the forest rehabilitation and afforestation, the project for the development of forest industry and forestry produce and the project for forest inventory, management and cadre training.

Witnessing the signing ceremony were Mr. Sisavat Keobounphan, minister of agriculture and forestry, Mr. Khempheng Phonsena, minister of external economic relations, and Mr. John Olof Johansson, 1st secretary for cooperation at the Swedish Embassy in Vientiane.

Decree on 'Highest Order' for Foreign Leaders

BK2612103991 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 26 Dec 91

[Decree issued by the Standing Committee of the Supreme People's Assembly on the minting and use of the "Phosai-Lan Xang" medal as the highest order of the Lao People's Democratic Republic; dated 19 November 1991]

[Text] With reference to Law on the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR] No. 04/SPA/88 dated 19 April 1988 and the Prime Minister Recommendation No. 100/PM dated 18 November 1991, the SPA Standing Committee has agreed to the following:

Article 1. To produce and use the "Phosai-Lan Xang" medals of the LPDR with the following characteristics:

1. Each medal—to be minted in 20 pieces—is made of 40 percent gold and 60 percent silver having a weight of 3.5 Baht [of Lao weight] or 45 grams with 4.5 centimeters in diameter;

2. The medal is in the shape of a star with a banyan tree—both leafs and stem in gold—and the replica of the That Louang Pagoda in gold mounted on green background with the name in Lao words "Phosai-Lan Xang" in black written on red background on its lower part;

3. The end of the ribbon on which the medal is attached is printed in silver and gilded;

4. The ribbon is made of blue silk with red rims on both sides;

5. The sash to go along the medal is in blue with red rims on both sides and is 10-centimeter wide and 180-centimeter long;

6. The medal must be accompanied by a framed certificate to show its authenticity.

Article 2. The "Phosai-Lan Xang" medal is the highest order of the LPDR, which is to be conferred on only leaders of friendly countries who have made contributions to strengthening the friendship relations and establishing effective cooperation between their countries and the LPDR.

Article 3. The government is empowereed to organize strict implementation of this decree immediately on the day it is signed.
Vientiane
[Dated] 19 November 1991
[Signed] the SPA Standing Committee; Chairman Nouhak Phoumsavan

Philippines

U.S. To Withdraw From Subic by End of 1992

HK2712055891 Quezon City Radyo ng Bayan in Tagalog 0506 GMT 27 Dec 91

[Statement by Executive Secretary Franklin Drilon announcing an agreement with the United States for a one-year Subic Naval Base withdrawal period; from the Malacanang Palace, Manila—live, in English]

[Text] Good afternoon ladies and gentlemen of the press. Today the Governments of the Philippines and the United States have mutually agreed to terminate the discussion on the proposed three-year executive agreement for a phased and orderly withdrawal of the U.S. forces stationed at the Subic Naval Base.

The two governments, therefore, agreed that the Philippines, in accordance with the Ramos-Rusk Agreement, will formally serve upon the United States Government a one-year notice of termination of the 1947 MBA [Military Bases Agreement] on December 31, 1991.

The withdrawal of U.S. forces from the Subic Naval Base will be completed by December 31, 1992. During the withdrawal of U.S. military forces from Subic Naval Base, the 1947 Military Bases Agreement as amended will remain in force and govern the status of U.S. forces in the Philippines and the use of Philippine installations until December 31, 1992.

In accordance with the 1947 Military Bases Agreement, as amended by the 1988 Manglapus-Shultz Agreeement, the Philippines and the United States shall take appropriate measures, which they shall jointly determine, to ensure a smooth transition with respect to custody and control of the Subic Naval Base and in order to minimize any disruptive effects of the termination.

Both panels were convinced that a three-year phased and orderly departure of U.S. forces at Subic Naval Base was in the mutual interest of the two countries and, therefore, exerted every effort to agree on the terms of the executive agreement. However, as the Philippine panel constantly emphasized during the discussion, the executive agreement must not violate the Philippine Constitution. To comply with our Constitution, the Philippine panel proposed a clear and definite scheduled withdrawal of the U.S. forces from the Subic Naval Base. Unfortunately, the U.S. could not meet this Philippine concern in view of the need of the United States for operational freedom during the withdrawal period and its own limitations dictated by multilateral concerns that could be prejudiced by such agreement with the Philippines.

Apart from the issue of a clear withdrawal schedule, the parties also had honest differences in the operational use of the Subic Naval Base. The Philippines wanted a precise enumeration of the activities that may be carried out by the U.S. forces at the Subic Naval Base that would supersede the provision on unhampered military operations in the 1947 MBA rather than a simple extension of the 1947 MBA in view of the limitations under Section 25, Article 18 of the Constitution.

The Philippine panel also proposed a linkage between the withdrawal plan of the United States and the conversion plan of the Philippines. The Philippine panel also wanted to amend the nuclear provision in the 1947 MBA to meet our constitutional requirement, and the objections expressed by some senators during the debate on the ratification of the rejected 10-year Treaty of Friendship, Cooperation, and Security.

Finally, the Philippine panel proposed to open discussions on the termination benefits of our Philippine workers who will be displaced as a result of the departure of the U.S. forces from the Subic Naval Base. The honest difference in perspective between the Philippines and the United States in these five [word indistinct] areas prevented the panels from entering into a mutually acceptable three-year withdrawal agreement. The friendly and cordial relations between the Philippines and the United States will continue not withstanding our inability to agree on the terms of the withdrawal agreement.

The relationship bound by long historical ties and strengthened by our common adherence to democracy goes beyond, and involves a wider range of concerns than, the terms of the withdrawal agreement. Both governments will continue to build upon this strong bond of friendship between the two countries. Thus, both countries remain committed to existing bilateral agreements such as the mutual defense treaty and the recently signed textile agreement. These agreements are not affected by the termination of the 1947 Military Bases Agreement.

Drilon Holds News Conference

HK2712083391 Quezon City Radyo ng Bayan in Tagalog 0511 GMT 27 Dec 91

[News conference by Executive Secretary Franklin Drilon with local and foreign reporters on the Philippine-U.S. one-year base withdrawal agreement at the Malacanang Palace in Manila—live, in English]

[Text] [Bunia] Mr. Secretary, I am Gary T. Bunia, CBS News. Does this preclude any future negotiation within the year with a new government?

[Drilon] No, it does not preclude any new negotiation with the new government. This sets the policy insofar as this administration is concerned.

[Bunia] Thank you very much.

[Reporter] Sir, will the government require the U.S. to submit a definite schedule for withdrawal during the one-year period?

[Drilon] No more. This is in accordance with the Ramos-Rusk Agreement. We serve a notice of termination. As I said, the 1947 MBA [Military Bases Agreement] will continue to be effective until the date of the termination of the withdrawal on December 31, 1992. The schedule of withdrawal was only necessary in the three-year withdrawal agreement because it goes beyond the one-year period provided under the Ramos-Rusk Agreement.

[Reporter] Sir, so U.S. forces can leave, start to leave, let's say June of 1992, when there is a new administration or perhaps the new administration could ask them to remain?

[Drilon] The new administration would have its own policies.

[Reporter] Secondly, are there any indications that the U.S. would seek some sort of access arrangement after one year?

[Drilon] That was not discussed in the course of the discussions.

[Reporter] What are the prospects for this, personally?

[Drilon] I would not comment on that at this point. There is a proposal in accordance.... [changes thought] Well, under the Manglapus-Shultz Agreement, the Philippines and the United States will take appropriate measures to ensure smooth transition. It is possible that the question of access can be discussed in that panel.

[Reporter] Secretary, during the withdrawal period, is the United States obliged to pay the Philippines?

[Drilon] There is no stipulation on that. That matter rests with the U.S. Congress. You remember that the matters of compensation were part of the 1991 Treaty of Friendship, Cooperation and Security which was rejected by the Senate.

[Reporter] Sir, you mean to say there will be a new round of talks this time for one year. And who will be the panel?

[Drilon] There will be no new round of talks. We will just serve the notice of termination and, under the Manglapus-Shultz agreement, both governments will take appropriate measures as they jointly determine to ensure smooth transition. So, there will be no panel to discuss the terms of the withdrawal. It is a question of our serving the notice of termination and what you may call the withdrawal panel will be discussing measures in order to ensure smooth transition.

[Reporter] The same panel will be discussing this?

[Drilon] The president has not made any decision on that point yet.

[Reporter] Sir, for clarification, we have to serve the notice of termination?

[Drilon] That's correct. That is under the terms of the Ramos-Rusk Agreement. This will be served on

December 31, 1991, so that the one-year period is completed on December 31, 1992.

[Reporter] And will they be leaving their facilities behind?

[Drilon] There are certain rules finally agreed upon under the Manglapus-Shultz Agreement as to what facilities become part of or go to the Philippines. For example, if movables will be ceded to the Philippines—but movables as defined in the Manglapus-Shultz Agreement will remain property of the United States, which they can take out.

[Reporter] What parts of the ship-repair facilities are we going to have?

[Drilon] We did not discuss it.

[Reporter] What measures are the government undertaking to deal with the displaced Filipino workers?

[Drilon] We will be meeting with Mayor Gordon and the Philippine... [corrects himself] the labor union in Olongapo and other concerned sectors tomorrow morning with the president to discuss this matter here in Malacanang.

[Reporter] Sir, you just announced rather an historic event, in other words, in one year's time that there are going to be no more American military forces in the Philippines. Is that correct?

[Drilon] That is correct.

[Reporter] Could you tell us, either you personally or the president, how do you feel about this historic moment?

[Drilon] Well, when the president decided to enter into a discussion for a possible three-year withdrawal period, the welfare of our Philippine workers and the other economic sectors that will be affected by this withdrawal was foremost in her mind. That was the primary consideration. Unfortunately, we had certain limitations under our Constitution which made this difficult to achieve. Insofar as we are concerned, the failure to enter or to sign a three-year withdrawal agreement should not affect our friendly and cordial relations with the United States, since our relationship with the United States would go beyond the mere basing agreement or the withdrawal agreement. There are a lot of other agreements that continue to be in full force and effect and to which both countries are committed to honor.

[Reporter] Sir, have you already decided which Philippine agency would be in charge of Subic?

[Drilon] We are studying that and we will make an announcement shortly.

[Reporter] Will there be a phasing [words indistinct] the phasing out within the one-year period?

[Drilon] This is a matter which we would like to achieve during this one-year period, to the extent that we could phase in certain aspects of our conversion plan, if feasible. We would like to do that. But right now we are still.... [changes thought] The president still has to decide who will be the lead agency, who will be in the withdrawal committee that will be constituted for this purpose.

[Reporter] Just to clarify one point about the conversion plan of the Philippines on Subic Bay. Has that been finalized by legislation. Don't you need legislation for this?

[Drilon] What is pending before Congress is the Base Conversion Authority Bill, which would identify and locate the responsibility for converting or for implementing the conversion plans in an authority. Unfortunately, the bill has not been passed, and therefore we are right now reviewing which agency will be the lead agency for purposes of an ad hoc basis to, at the very least, take care of the transition.

[Reporter] And that lead agency, whichever it may be, will have to be properly funded.

[Drilon] Yes, it will have to be properly funded. We are looking for 1992. We are looking at the contingency funds to see whether we can source it out from there, but we would like to review the possibility of presenting a supplemental budget. Incidentally, the funds are urgently needed for Clark Air Base because that is where the immediate work job must be done. Insofar as the Subic Naval Base is concerned, we still have time, because the withdrawal will not be completed until December 31, 1992. So what is more urgent insofar as funding requirements is concerned is Clark Air Base.

[Reporter] Sir, why is the government waiting for December 31? Can anything still happen between now and that time?

[Drilon] No, it is just a question of having a full calendar year, January 1 to December 31. There is nothing there. We could serve it today, but we thought that January 1 to December 31, 1992 is easier to implement.

[Reporter] So the decision is irreversible as far this government is concerned.

[Drilon] The decision is irreversible as far as this administration is concerned.

[Reporter] How much supplemental budget will you propose?

[Drilon] We have not come up with a figure. No, we have no [word indistinct] figure. In fact, we're just going through this and we are studying it at this point. As I said, we see more urgently the need for funds in the Subic... [corrects himself] in the Clark Air Base. Because in Subic, we still have one year and we have enough time to study that.

[Reporter] Sir, can you tell us what transpired this morning during the meeting between [U.S. Ambassador

Frank] Wisner and the president? Was it then that the decision was made to terminate the negotiation?

[Drilon] The ambassador and myself informed the president of exactly where the negotiation stands and the fact that, because of basic differences in perspective—notwithstanding our earnest effort and good faith negotiation, we could not come up with a mutually acceptable three-year withdrawal agreement and the ambassador said that it is best that we go through this notice of withdrawal, so that we can make sure that the other areas of our relationship are not affected by this failure to come up with an agreement.

[Reporter] So, the decision to terminate was yesterday?

[Drilon] The decision.... [changes thought] What happened yesterday was that we could not come to an agreement, and, therefore, we had to see the president today for her final decision, if indeed there are still—if she had authorized us to make new proposals. [sentence as heard] But the president was concerned that we must adhere to our Constitution, and, therefore, in view of that the president accepted the recommendation of the Philippine panel that we terminate and conclude the discussion.

[Reporter] Sir....

[Drilon, interrupting] Do not tell me that I will repeat the whole thing again.

[Reporter] Sir, was there a categorical assurance from Ambassador Wisner that this development will not affect ties between the two countries?

[Drilon] He assured the president that he will exert every effort in order to preserve the friendly ties with our two countries.

[Reporter] Is there anything stopping the next administration from entering into an agreement with the United States again?

[Drilon] My view is that if there will be a new agreement for the continued stay of the bases beyond 1992—beyond 31 December 1992—it must be through a treaty. So, if the next administration would like to continue with the presence of the American forces in Subic Naval Base, it must be through a treaty ratified by the Senate in accordance with our Constitution. The reason why there was a basis for us to enter into an executive agreement for three years is that this is a withdrawal agreement, not an agreement for the continued and unhampered use of the bases for the next three years.

[Reporter] Sir, how did the president view the results of the talks? Was she disappointed? Was this what she was expecting?

[Drilon] Well, she accepted the fact that no agreement could be reached, that she was thankful that every effort was exerted in good faith by both panels to come up with an agreement. But the honest differences in policies and perspective prevented both panels from coming up with a mutually acceptable agreement.

[Reporter] Sir, how come we were able to come up with a treaty and not an executive agreement?

[Drilon] Ah.... That is.... [changes thought] Insofar as that is concerned, well, we had certain limitations in our Constitution, insofar as the executive agreement is concerned. The Constitution provides under Section 25, Article 18, that no foreign military troops can stay in the country beyond 1991, except through a treaty.

Now, in this part.... [changes thought] So that the treaty would have a wider, there is a wider latitude when you enter into a treaty. Insofar as the executive agreement is concerned, since it will allow the continued stay of the Americans, in the concept of a withdrawal, we have limitations, and we had to follow our Contitutional limitations on this.

[Reporter] Sir, but the Constitutional limitation on the nuclear issue was clear, even within the framework of a treaty.

[Drilon] That is why we were making proposals which will meet what we view to be the Constitutional objection and the objection raised on the Senate floor during the ratification. We had made proposals on that.

[Reporter] Sir, from your talks with Ambassador Wisner, over here, did the Americans indicate in any way, whether their decision to withdraw from Subic would also be irrevocable?

[Drilon] There was no discussion on that. What we.... [changes thought] They have told us that they are sincerely wanting to leave the facilities. Yes?

[Reporter] The limits set by the Constitution have been there since 1987. Why does the Philippine Government push that issue only now when its negotiating a withdrawal agreement?

[Drilon] Because under the Constitution you can enter into a treaty for purposes of providing legal basis for the continued stay of foreign troops in the country. The executive agreement, in our view, has a limitation. So that the limitation in our mind is that the agreement was clearly a withdrawal agreement; a phased and orderly withdrawal of the U.S. Forces, in order that we can justify that we need not enter into a treaty. That a treaty is not required for purposes of withdrawal. Okay?

[Reporter] Will you compel the United States to start their withdrawal by January or can they have the option of waiting for the next government and to try to forge another agreement?

[Drilon] They have one year to withdraw ending December 31, 1992.

[Reporter] The withdrawal process starts on January, after December 31st.

[Drilon] The withdrawal process ends on 31 December 1992.

[Reporter] When will it start, the withdrawal process?

[Drilon] It can start on January 1. It can start on December 29, 1992....

[Reporter, interrupting] So, they have the option of waiting for the next government to forge another agreement?

[Drilon] That option is always there even before the next administration. Insofar as this administration is concerned, we have set the policy.

[Reporter] So, is there a schedule of withdrawal for this one yet?

[Drilon] The one year is itself a schedule of withdrawal.

[Reporter] No, what I mean is....

[Drilon, interrupting] No, it is just a withdrawal. It is a notice of withdrawal. We are not entering into any agreement. We are exercising the option under the Ramos-Rusk Agreement to issue a notice of termination. We are not entering into any agreement. We are just issuing the notice of termination. So there is no agreeement to talk about.

[Reporter] Sir.

[Drilon] Yes.

[Reporter] Do you think our relations with the United States will remain the same considering that a few days ago they have... there were reports emanating from the U.S. Congress that the Philippines has been diverting U.S. military aid?

[Drilon] I don't think that there is a basis for that report.

[Reporter] This came from the U.S. Congress.

[Drilon] So? [laughter] Yes?

[Reporter] May we go to another topic? Why can't the President enforce the decision of the Senate when it rejected the treaty that the withdrawal process should start on September 21, 19... September 16, 1991 until September 16, 1992. Why do you have to lengthen this by another three months?

[Drilon] The responsibility to provide jobs for our people is on the president, not on anybody else; and the president was concerned that if we just go through this abrupt withdrawal without attempting to provide, to cushion the impact, then it would bring difficulties to our people. However....

[Reporter] Up to one year?

[Drilon] That's correct. However, that's why we tried.... [changes thought] The president has tried to come up, instructed us to come up, with a three-year withdrawal agreement on this primary objective. However, at the same time, we must comply with our Constitution and, since we could not satisfy ourselves that our Constitution is complied with insofar as the schedule of withdrawal is concerned, then we had to terminate the discussion.

[Reporter] Sir, will the Philippines push through with its plan to transform Subic into a commercial shipyard and possibly offer ship repair services to U.S. military vessels and vessels of other countries?

[Drilon] We are not excluding that. That is part or among the plans being considered. Okay? Thank you.

Diversion of U.S. Aid to Private Companies Denied

Abadia Orders Investigation

HK2712022391 Manila MANILA BULLETIN in English 27 Dec 91 p 8

[By Aris R. Ilagan and Louie Perez]

[Text] Gen. Lisandro C. Abadia, AFP [Armed Forces of the Philippines] chief, assailed yesterday some US government officials for arbitrarily releasing a US General Accounting Report (GAR), which accused the AFP leadership of diverting US military equipment to local private companies.

"This is the first time I heard about this (GAR report on equipment losses). I have been the AFP chief of staff for so long, and I should have known about this," Abadia said.

The US-GAR said it conducted 145 inventory checks in five countries of items under US military aid because of their "vulnerability" to pilferage. The US-GAR found 32 cases of discrepancies in the books of US military aid in seven countries, including the Philippines.

However, Abadia said "it is unfair to the AFP that the report on the alleged diversion of US military equipment was released to media organizations without giving AFP officials a chance to verify the alleged losses."

The US-GAR report said helicopter parts donated to the Philippine Air Force (PAF) in 1990 were sold to a private company "without US permission." However, the items were seized later by US customs authorities.

The report said there is an ongoing investigation of AFP officers for the missing Garand rifles, 400,000 rounds of ammunition, and 200 grenades.

US authorities said that the goods were sold reportedly to the outlawed Rebolusyonaryong Alyansang Makabayan [Revolutionary Nationalist Alliance] (RAM), the rightist military rebel group.

Abadia denied the report, adding that the AFP Counter-Intelligence Command (CIC) has not received any information on the sale of firearms. The AFP-CIC is in charge of monitoring RAM activities.

"I don't understand why this came out now. This is really a small matter and I don't understanding why," the AFP chief said.

Military sources said the report could have been released "intentionally" by some quarters due to the negotiations for the US withdrawal from US Subic Naval Base in Zambales.

PAF Chief

Villamor Air Base—Maj. Gen. Loven C. Abadia, Philippine Air Force (PAF) commanding general, said yesterday "there are no missing shipments of helicopter parts intended for use of the PAF."

Abadia denied US reports that helicopter spare parts sent by the US to the PAF were diverted and sold without US permission.

"As far as the PAF is concerned, we have accounted for every item we received from the US," he said.

The two-star general expressed surprise why the report was made two years after it allegedly happened.

Abadia said the PAF investigated the case in 1989 after the Joint US Military Advisory Group (JUSMAG) informed Maj. Gen. Gerardo Protacio, then PAF chief, of the alleged interception by US customs officials of helicopter spare parts intended for the Philippines.

Abadia said, "it is unfair to say that the AFP diverted them, and I think that's going too far."

He said he will ask the JUSMAG to give him a copy of the report on the alleged diversion "so we can cross-check and if it is true, then we will say so."

Abadia said he ordered a re-investigation of the case to get the truth on the alleged diversion of helicopter parts.

De Villa Seeks Probe

HK2712024491 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Dec 91

[Text] Defense Secretary Renato de Villa has instructed the Armed Forces of the Philippines [AFP] to investigate the reported diversion of U.S. military aid to the country, and at the same time has denied the accusation by the General Accounting Office, the investigative arm of the U.S. Congress, that the Philippines has been selling, without permission, helicopter spare parts donated by Washington to the Philippines.

De Villa said he has ordered the AFP to work with the Joint U.S. Military Advisory Group to investigate the report. According to the secretary, he knows nothing about the American aid, such as the helicopter spare parts, which are alleged to have been sold to private sector organizations. He stressed the military is in dire need of helicopter spare parts and that any donation of this kind has to be used by the AFP.

Based on the report by the U.S. General Accounting Office, five countries that were investigated, including the Philippines, diverted military equipment by selling it to the private sector with the result that it sometimes ended up in the hands of rebel communists.

Thailand

Nation Under Pressure To Open Service Sector

BK2612024791 Bangkok THE NATION in English 26 Dec 91 p B1

[Text] Several of Thailand's trading partners are pressing the country to open up its highly-protected service sector despite a preliminary Thai offer in the Uruguay Round talks to liberalize 17 services including brokerage and construction.

Suchai Chaowisidha, chief Thai negotiator on trade in services, said the offer was intended as an initial step towards progressive trade liberalization and a meaningful conclusion to the Uruguay Round, which is attempting to free international trade in goods and services.

Included in the Thai proposal are the practices of attorneys and accountants, architecture in urban planning and landscaping, engineering services, data processing, data base services, advertising, market research and public opinion polling, services incidental to the oil field business, maintenance and repair of equipment, translation and interpretation, packaging, consultancy and brokerage excluding securities, construction, systems installation and restaurants.

However, the three most crucial and sensitive services—telecommunications, aviation and banking—are not part of the Tahi offer, Suchai said.

At present, the 17 professional services are also open to foreigners, but including them in the Thai offer means that authorities here cannot initiate future policies that may affect foreign providers of these services without prior consultation with their governments.

Moreover, the offer ensures that Thailand will not discriminate against foreign investors in these services.

And if any trading partners are to be granted special privileges in the future, other contracting parties in the General Agreement on Tariffs and Trade (GATT), the world's trade watchdog, will be eligible for the same treatment.

Trade liberalization has raised concern among local service provders that their fledgling businesses might face tough competition from foreign operators, most of whom maintain strong international networks, if the market is opened to all players.

According to Suchai, the Thai offer did not go beyond what the Alien Business Law, also known as the National Executive Council Announcement No 281 or Por Wor 281, currently allows.

But the offer under the Gatt talks has a binding effect, meaning that domestic regulations cannot be amended at will without prior consultations with major trading partners in the potentially affected services, he said.

According to the law, foreigners can provide these services provided that their companies are registered in Thailand and alien equity participation does not exceed 49 per cent, or the number of foreign shareholders does not exceed half of the total number of shareholders.

Suchai said it was unlikely that the Thai government would add other services to the offer when trade negotiators return to Geneva on Jan 13 to decide whether to accept, reject or propose alternatives to the proposal put forward by Gatt director-general Arthur Dunkel on Dec 20, following the failure of the countries participating in the Uruguay Round to reach an accord.

At the same time, the United States, Australia, Canada and the European Community have submitted official requests to the Thai government for further opening of the service sector.

Australia, Canada and the EC want to be treated the same as the Americans. Under the 1966 Treaty of Amity and Economic Cooperation with Washington, Thailand guarantees that Americans are treated the same as Thais in establishing businesses except for a few areas such as banking and land development.

Under the Thai Alien Business Law, foreigners can hold a 49 percent stake in service companies, but Americans may hold 100 per cent shares as a result of the bilateral pact. But they cannot practice these professions in the country. For instance, they can own a legal office but cannot defend someone in court.

This runs counter to Gatt's most-favoured-nation (MFN) principle which ensures that governments treat all trading partners the same. The countries in question are seeking the same treatment as the Americans, and it is likely that the government will ask for an exemption in this regard.

NSC To Relax Cambodian 'Strategic Goods' List

BK2312031591 Bangkok THE NATION in English 23 Dec 91 p A 2

[Text] Aranyaprathet—The National Security Council (NSC) plans to relax its list of strategic goods that can be taken into Cambodia and establish permanent border checkpoints on the Thai-Cambodian border.

Khachatphai Barutphatan, NSC deputy chief, said the situation in Cambodia has changed for the better and there is no longer to fear that such items will fall into the hands of enemies.

He told a seminar on Thai-Cambodia trade and investment, held at this border town during the weekend, that the NSC will permit the establishment of border checkpoints to boost cross-border trade.

When the permanent border check-points could open would depend on people on both sides of the border, and the readiness of local military and relevant authorities, he said.

"The NSC control at the border might be considered a barrier to Thai-Cambodian trade. But we cannot always give priority only to the economic interest because we have to consider the national interest," Khachatphai said.

He said the Thai government has accredited Cambodia's Supreme National Council, which represents the nation's sovereignty until UN-supervised elections are held. Contacts with Cambodia will be through the council, which comprises representatives of the four Cambodian factions.

Official contacts and trade between the two countries will increase because of a more secure Thai-Cambodian border and fewer security problems, he said.

Beninese Foreign Minister Arrives 22 Dec

BK2312061491 Bangkok Radio Thailand Network in English 0000 GMT 23 Dec 91

[Text] Foreign Minister of the Republic of Benin Theodore Holo arrived in Bangkok yesterday for a three-day visit to Thailand as guest of the Ministry of Foreign Affairs. The visit is the first high-level visit ever paid to Thailand by the Republic of Benin after the country has changed its administration from socialism to liberalism. It is aimed at strengthening relations between the two countries. While in Thailand, the Beninese foreign minister is scheduled to call on Prime Minister Anan Panyarachun and meet Foreign Minister Asa Sarasin, Deputy Commerce Minister M.R. Pridiyathon Thewakun, and the president of the Board of Trade of Thailand.

He will also visit the Rice Research Institute of the Ministry of Agriculture and Cooperatives. The Republic of Benin is the third largest buyer of Thai rice in Africa after Senegal and Mozambique.

The Beninese delegation comprises Beninese Ambassador to Beijing Auguste Alavo and Director General of the Asian Department (Michael Atachian).

Prime Minister Anan Gives Year End Interview

BK2712120991 Bangkok THAI RAT in Thai 27 Dec 91 p 3

["Exclusive" interview with Prime Minister Anan Panyarachun by "THAI RAT political staff" at Government House on the occasion of the year end and beginning of the new year—date and place not given]

[Text] [THAI RAT] You have encountered several political problems since taking up office. How do you feel about them?

[Anan] They are the problems of the country, the problems of administration—not other kinds of problems. Sometimes people thought there were problems, but the problems did not exist. The reports were baseless.

They wanted to pit me against the NPKC [National Peacekeeping Council]. They accused the NPKC of interfering with my job. In fact, there has been no such thing. I am a straightforward person, and I am straightforward in doing my work.

Since the military asked me to become prime minister, they must have a good understanding of me. It is impossible for them to be suspicious of me. I have told them we have to trust each other in order to work together. They have given me their full confidence over the past 10 months in office, and I have done nothing to make the NPKC feel bad or to think that I was dishonest.

The reports we heard were inaccurate. They are not true. It was none of my business to deny them, to give explanations, or to clarify misunderstandings.

They must judge by themselves whether or not to trust me.

It has been strange in Thailand. Sometimes we did not really have problems, but we made it look like we had problems. In fact, we have so many problems to solve—problems concerning administration, problems of the country, and social problems.

I am not sensitive to rumors or overblown stories. They are always insignificant to me. I have my work to do and I am doing it day by day. I have my pride, and I pay no attention to such small things.

[THAI RAT] What else do you think is left for you to accomplish?

[Anan] If I continue in office, I will still have many other things to do. We are trying to lay down guidelines for the eradication of official corruption. It is difficult to completely get rid of this problem. Anyway, we have laid down a foundation. I have said many times that I believe in freedom as my working philosophy, both in politics and the economy. I believe in a philosophy of competition, of not having too many restrictions, and a philosophy of support and promotion.

Concerning the problem of corruption, those who earn their living through corruption against the government and the nation will certainly find ways to pursue their goals. Nevertheless, we are trying to cut down on control and regulation. We are trying to make the system transparent so the public can know what is going on and understand the administrative process. If we had an open system, I believe it would be more difficult for official corruption to succeed.

We do not expect immediate accomplishments from this work, but we are laying down a foundation for further work, which future governments can pursue. This is not a problem found only in Thailand. It exists in all large societies. We will have to solve it in piecemeal fashion. I hope the next government will pursue this work.

I think that having a transparent process of decision-making and bidding—where the people can have access to information and be part of the decision—would be the best way to prevent graft. But if you conduct your affairs in secrecy, with under-the-table practices, and if you cannot explain to others why a decision is made, you risk becoming a target of scandal and suspicion, and your methods would open up opportunities for corruption. Anyway, this work will never be finished, no matter what form of government we have. This is part of our effort to lay a foundation for democracy. Democracy does not mean that we have a constitution, an election, or a government. Democracy is judged from the perspective of the people—whether they understand their rights and know if the government is promoting the rights of individuals, or whether the government tries to curb the right to know and to have access to information, which belongs to the people. This is important.

To cite an example, in our negotiations with the CP Group or the Hopewell Company, I tried to make all information available to the public, except for certain facts which needed to be kept secret while negotiations were still going on. Yet we had all of the facts available, and we could explain to the people that our decision was based on a sound process of judgment, which was both fair and correct. I think this is part of the process of laying the groundwork for democracy.

[THAI RAT] How much confidence do you have in your cabinet ministers?

[Anan] I still have confidence that the ministers I picked to serve in my government are honest, and are not involved in any corruption. I am confident that they have done nothing to disappoint me.

[THAI RAT] Do you have any hope for the new government we will have next year? Will it be able to function smoothly?

[Anan] We should all have hope. You are part of a society; if you have no hope for it, you cannot live in that society—or you will just live as a foreigner in that society. Whether we have a good system, or good people working for the system, depends on the people—on the manner in which they exercise their rights in the elections. If the people in our society have no character and do not know how to vote for good representatives, it is their own fault. We cannot blame other people.

Do not blame others—the military, the bureaucrats, or anyone else. You must blame yourself. I hope that a greater number of people will cast their votes in the coming election—more than in past elections—and I hope that they will use good judgment to elect good and knowledgeable people with administrative experience to be their representatives.

[THAI RAT] Why did you accept the offer to become prime minister?

[Anan] This is the question my wife kept asking me everyday—why do we have to concern ourselves with the premiership? We had a pleasant life in the private sector for 13 years. We could do whatever we wished. We were quite comfortable financially, and we could spend vacations or go to any restaurants we liked. Why do we have to get involved in politics? I still could not find a clear-cut answer for her.

If you live in a society, you want to see that society prosper. When I accepted this office, I did not try so hard to work on this or that particular project. I took the office on a temporary basis. But when I had the chance, I just wanted to take the opportunity to improve things in our society. Anyway, I leave it to history—to future critics—to judge whether I was successful or not, whether or not the people liked what I did, and whether or not the system laid down by our government was firm or produced desired results.

We are not a knight on a white horse, able to solve all problems. We are not a saint sent by God to solve problems for the Thai people. This is impossible. I am just an ordinary individual who is not endowed with any special faculty to make judgments. Anyway, we are doing what we think is correct and serves the interests of the nation as a whole.

[THAI RAT] Please tell us about the long-standing relationship between General Suchinda Khraprayun and yourself.

[Anan] When I first served as ambassador to the United States, from 1972 to 1975, Mr. Suchinda, who at that time was just a lieutenant colonel, was assistant military attache at the embassy. The attache was General Pamot Thawonchan. At that time the embassy only had a staff of 40 to 50 people. Mr. Suchinda was one of them. But I did not have a chance to work closely with him due to the fact that he was an assistant military attache.

But when I was the ambassador, we came across each other whenever I hosted parties at home or at meetings. We were not close to each other. I had respect for him, and I presumed that he also had respect for me. I never thought that one day he would become an army general and vice chairman of the NPKC.

I met him only four times after ending my 16-year mission abroad. He is a nice person. Although we were not close friends, he attended my mother's funeral. I was surprised. He came again for the cremation. After that, I met him twice at social functions, and on one occasion a common friend took us for a late night dinner near Lumpini Park. After the latter meeting, I did not meet him again for years. But whenever they happened to meet my wife and me, Mr. Suchinda and his wife always showed us their respect and were cordial to us in the same way as in the past.

[THAI RAT] Were you excited when approached by Gen. Suchinda to become prime minister?

[Anan] I was not excited, but rather surprised.

[THAI RAT] Did you accept the offer immediately?

[Anan] No, no. The offer was was made on a Friday morning. They made me an adviser first. There was a meeting of the economic advisory group at 9 A.M. I was attending the meeting when a colonel who was looking for me asked in the meeting who Mr. Anan was. I raised my hand. The officer did not know me. He told me the army chief would like to see me. I thought he asked me to see the army chief in the latter's office. So I walked out of the meeting. I saw Mr. Suchinda in front of the meeting room waiting for me. When I saw him he said to me: big brother, would you please be prime minister? I asked him what this questioning was all about, and that I had to discuss the issue with him first. I had a conversation for about 45 minutes with him about several matters.

This is what is behind Mr. Suchinda's joke: he had been told that I hate the military. He said that everyone had known this for a long time, ever since we were in Washington. On that day, I reminded him of my reputation as a person who hates the military and who is hated by the military. He laughed, and he told me that this is something from the past, and that we should not think about it now. He said this was an old story the military knew about.

I told him that he was the only military person whom I knew. I really did not know the other officers. Those whom I knew had already retired: General Saiyut Koetphon, General Pamot Thawonchan, General Charoen Phongphanit, General Wanchai Chitchamnong, and Air Chief Marshal Chakon Thattanon. I belong with the generation of those officers, not his generation.

The situation was strange. For several years before the takeover, Chai-anan Samutwanit wrote articles saying that I would be a prime minister. I kept telling others that this is good because the more he wrote, the more people would rule me out. He wrote like that many times. Before the takeover, I went to Chiang Mai. The people there told me I would be made prime minister. Well, after checking up on this, I found out that this was due to Chai-anan's writings, and lecturers in Chiang Mai believed this. This was too much. I thought it was a joke. There was no sense in this notion because I was never in the proper circle. I never thought about running in elections. I never thought about a takeover. Never, never. It was just for fun.

[THAI RAT] Have you ever consulted fortune tellers?

[Anan] Never. I am not against it, but I am not interested in it. You do not understand me. It is difficult for others to understand me. Those who have been working with me for 10 months do not understand me. It is difficult to get to understand me. I am independent, straightforward. I am not a diplomat. I am not a tongue-twisted person. I say what I mean to say.

[THAI RAT] You not only do not like the military, but you are also not afraid of them. Is this true?

[Anan] It is not a question of being afraid or not being afraid. What should I say? Why should I be afraid of them? Like THAI RAT—why should I be afraid of THAI RAT? In short, why do I have to be afraid of this or that person?

[THAI RAT] Well, let us put it this way: is it true that you do not succumb to influence from the military? The military never received what it asked for from your government.

[Anan] I think the military understands me very well. I make decisions based on a priority of needs. I use reason in making my decisions. If you do not see eye to eye with me, this is different case. However, I could always explain my views to them. This had nothing to do with hatred, fear, or retribution—nothing like this at all. I have lived a long life and I am resigned now.

The military is not afraid of me, and I am not afraid of them. We respect the feelings of each other. We have respect for each other, and we have mutual understanding.

Anan Tells Sunthon of Paper's Misrepresentation

BK2312032791 Bangkok THE NATION in English 23 Dec 91 p A2

[Text] Prime Minister Anan Panyarachun seemed to choose the right moment yesterday to clear up what he called a "misunderstanding" with the military, as everybody was concentrating on the 19th title defence of Khaosai Galaxy.

At the boxing venue Anan was overheard asking National Peacekeeping Council chairman Gen Sunthon Khongsomphong to understand that he had not criticized soldiers as reported in a Thai-language daily on Friday.

The mass-circulation THAI RAT quoted Anan as telling his Thai audience in the United States on Wednesday that he did not like the military leaders, including Supreme Commander and army chief Gen Suchinda Khraprayun and Deputy Army chief Gen Itsaraphong Nunphakdi, meant nothing to him.

Reporters overheard Anan asking Sunthon to tell the other military leaders that the premier had been misrepresented by the paper.

Before the boxing event at the Thephasadin Stadium, which attracted many leading figures, Sunthon walked up to Anan's seat and greeted him: "Hi, the prime minister."

They were seen on TV shaking hands and laughing cheerily before Anan bent his head to whisper something.

Sunthon then said loudly: "I heard that your interview in the report was not complete and you did not mean it."

"Yes, it was not complete. Please don't mind it," Anan was heard on the TV news as replying.

Reporters, who were near the two, heard Anan say that he gave a long interview but his comments had not been published in full and this had led to the "misunderstanding".

Anan said he had a video tape, recording his full interview, which he would copy and send to Sunthon.

It was not known if Anan was successful in his attempt to make peace with the military because Sunthon responded by slamming Anan's shoulder, laughing and immediately changing the topic.

Article Analyzes Role of Election Watchdog Body

BK2212013591 Bangkok BANGKOK POST in English 22 Dec 91 p 4

["Weekend Analysis" by Banyat Thatsaniyawet]

[Text] The proposal to set up a neutral body to watch over the general election reflects the Anan Panyarachun Government's efforts to ensure a fair, honest poll as its final task.

The move is in line with the administration's policy stated to the National Legislative Assembly [NLA]:

"To bring democracy to the country quickly and control the elections so they are fair and honest."

However, the watchdog body will not have any powers under the electoral law, leaving its effectiveness a matter of debate.

The watchdog is now likely to be established on the orders of the prime minsiter with a requirement being that any breaches during the election must be reported to the provincial governor who is to investigate within three days.

A criminal case can then be filed with the police who must complete their inquiries within 30 days. If these two authorities neglect to take action the watchdog body is to notify the prime minister.

The premier can then act against the governor or police officers by taking measures, including their transfer.

Mr Anan, who has no interests in common with any of the political parties, apparently wants to set standards to ensure a fair election. This can be seen by his asking various respected neutral figures to staff his watchdog body, such as Dr Prawet Wasi, Prof Sane Chamarik and Prof Raphi Sakharik.

This has made the Interior Ministry unhappy because it has always jealously guarded its powers. Delegating some of these to other bodies is not likely to be looked at kindly but as intereference in the work and power of the ministry, which has always resisted "meddling."

An example is the bill governing the election of village headmen and kamnan, which the ministry presented to the Cabinet. Instead of having a direct election as in the past, people are to choose a number of candidates for grassroots posts.

The provincial governor and district officer will then appoint one of these candidates as village headman or kamnan. This proposal met strong opposition from the Cabinet for going against the policy of distributing power.

The Interior Ministry finally had to go along with a bill allowing direct elections of village headmen and kamnans for a five-year term.

At first, the Interior also proposed in the electoral law to set up a committee to handle elections. The governor and district officer would appoint such a committee with power to keep the election clean.

They would ensure elections were held and kept to the provisions of the law, monitor the work of electoral officials to ensure strict neutrality, consider any appeals or complaints from candidates, investigate any misdeeds and put the cases to the authorities for action within 30 days.

That electoral draft also provided for the setting up of another committee with the power to investigate alleged vote-buying.

Such cases could then be forwarded to concerned authorities for legal action.

However, after Mr Anan made his proposal these two provisions were dropped from the draft.

The draft, under NLA scrutiny, now provides only for any electoral breach to be investigated in 30 days, extendable by two 15-day periods, with the governor and district officer in charge of the elections.

It can clearly be seen that the Interior Ministry wants to keep its power over elections. It is not willing to give up this power or share it with anyone else—despite the fact that officials of the ministry in various provinces have always been used as tools to favour certain candidates and parties.

The ministry is highly politicised and frequently acts as a political tool of those in power.

During protests against the Constitution the ministry got provincial governors and district officers to mobilise village headmen and kamnan to gather signatures in support of the controversial charter.

In the end, there were more than six million signatures supposedly favouring the Constitution while, incredibly, only 2,000 people countrywide apparently opposed it.

It is difficult for anyone to believe that officials will set standards to ensure neutrality by not allowing themselves to serve as tools of those in power, particularly where political parties cosy with the National Peacekeeping Council would benefit.

Having a neutral watchdog body staffed with respected individuals could deter some people intending to use unfair means in the election.

Such a body could also cooperate with other independent organisations, such as those of university students or non-governmental organisations, and help to contain cheating and vote-buying.

House Speaker Said To Choose Prime Minister

BK2412012391 Bangkok BANGKOK POST in English 24 Dec 91 p 3

[Text] National Legislative Assembly [NLA] president Ukrit Mongkhonnawin said yesterday the House Speaker will propose to His Majesty the King the next prime minister and countersign the royal command appointing him.

"Nobody can violate the Constitution and the will of the people. Only the House Speaker can countersign His Majesty's command appointing a premier.

"The House Speaker will also propose a nominee for the premiership to His Majesty," Mr Ukrit said.

The interpretation of Article 216 in the provisional clause of the Constitution should raise no problem because the article will be terminated after the general election, Mr Ukrit said.

"I wonder why any interpretation (of Article 216) should be made then," he said.

Article 216 says His Majesty will appoint the premier at the recommendation of the National Peace-keeping Council (NPKC) chairman.

However, Article 159 says the House Speaker will countersign the royal command appointing the premier.

Mr Ukrit said the Constitution must be interpreted literally, on the basis of justice.

"There shouldn't be any problem. They just think too much," the NLA president said.

He said nobody would wait for a Constitutional Tribunal to interpret who should nominate the premier or countersign the royal command because it would take too long.

The Constitutional Tribunal will be formed within 30 days after the general election, according to the Constitution.

Also, Parliament would not wait to amend the Constitution regarding this matter first and sound out a nominee for the premiership later, he said.

NPKC chairman Sunthon Khongsomphong said over the weekend that he was not sure if the House Speaker or himself had the constitutional right to nominate the next premier.

Gen Sunthon said he would if he is entitled to.

Gen Sunthon said it should depend on the interpretation of the Constitution.

Papers on Nomination of Premier After Election

BK2412083091

[Editorial Report] Thai dailies THAI RAT and NAEO NA on 24 December carry editorials on nomination of prime minister after the upcoming general election.

The 350-word THAI RAT editorial on page 3, entitled: "A New Time Bomb," says: "A new time bomb has been discovered in Article 216 of the provisional clause of the constitution which gives the chairman of the National Peacekeeping Council [NPKC] power to countersign the appointment of the interim prime minister and to recommend that the king remove the prime minister until a new cabinet is formed. Although a legal specialist such as Ukrit Mongkhonnawin, the National Legislative Assembly president, is confident that the president of the House of Representatives will be the person to countersign the appointment of the prime minister in accordance with the permanent constitution, political trouble is certain to arise." The editorial, however, does not offer a solution to the controversy.

The 500-word NAEO NA editorial on page 4, entitled: "Who Appoints the Prime Minister", notes that the NPKC chairman has said he would comply with whatever the constitution says and that an interpretation will have to be made if the pertinent article is ambiguous. The editorial concludes: "On this controversy, we should all heed the prime minister's remark which says that for democracy to advance there must be compromise. Considering the current political situation, we believe that the leaders of the House of Representatives and the Senate should consult each other on the nomination of the prime minister for the sake of national unity. It would be unwise to stubbornly cling to legal principles at the expense of political principles, particularly when the legal principle concerned is ambiguous."

Sunthon Requests More Funds for Defense Budget

BK2112013591 Bangkok THE NATION in English 21 Dec 91 p A1

[Text] The National Peacekeeping Council (NPKC) chairman Gen Sunthon Khongsomphong said yesterday he has reminded the Anan government of the junta's request for an extra budget of Bt12.5 billion to finance arms procurements.

Gen Sunthon said the armed forces expected the government to decide on the matter before its term expires early next year.

"I want to see the proposal approved before the government's term ends," Sunthon said. "We (NPKC) had sent a written request (for additional funds) to the government a long time ago."

Speaking to reporters on his return from the U.S. last night, Prime Minister Anan Panyarachun asked for time to check into the NPKC's budget request.

Sunthon said there was no need to send another formal request to the government because he had personally asked Prime Minister Anan for the extra defence fund in addition to the military's annual 1992 budget.

Sunthon said the other urgent issues which needed immediate action from the government were the implementation of the National Fertilizer Project and the proposed programme to relieve impoverished farmers of their debt burden.

In September, Anan politely turned down the extra defence fund request and asked the armed forces to keep defence spendings within the allocated budgets for fiscal 1992, which started on Oct 1.

The proposal was passed on to the Finance Ministry for a formal study.

The Supreme Command, the army, the air force and the navy have pushed for extra funds amounting to over Bt12.5 billion to be incorporated into the fiscal 1992 budget.

Cabinet Makes Sweeping Cuts in Income Taxes

BK2512015391 Bangkok THE NATION in English 25 Dec 91 pp A1-A2

[Text] The Cabinet yesterday approved a new tax package sharply cutting personal income tax rates by a range of 30-100 per cent.

The changes, expected to take effect in 1992, will reduce the maximum rate from 50 to 37 per cent for an annual income of more than Bt [Baht] 4 million. The package is regarded as a New Year's gift for Thai people in general and the rich in particular, though officials contend that lower rates could attract more tax payments.

The Cabinet also decided to reduce the corporate income tax rate from 35 per cent to 30 per cent for firms not listed on the stock exchange, and the dividend income tax rate from 15 per cent to 10 per cent.

Included in the tax package is an array of new excise tax rates for 12 product categories, including the rates for cars and trucks. The new rates will take effect with the advent of value-added tax (VAT) on Jan 1, 1992.

The government will shortly issue a royal decree to give effect to all the new tax rates. As a matter of courtesy, Prime Minister Anan Panyarachun yesterday called on National Peacekeeping Council chairman, Gen Sunthon Khongsomphong, after Cabinet meeting to inform him of the issuing of the royal decree, although under the new constitution his administration is empowered to issue a decree on its own initiative.

A Cabinet source said Anan's meeting with Sunthon was intended to create good feeling between the NPKC and the government. Before the current constitution took effect, Anan needed to consult the NPKC before issuing royal decrees. A royal decree does not have to be approved by the National Assembly.

Following Cabinet approval of new tax rates, Anan ordered his administration members to return all papers concerned with the new tax package in a bid to ensure confidentiality until new rates have taken effect.

Most ministers refused to comment but one said there are five new rates for personal income tax, the lowest being five per cent and the highest 37 per cent, compared with the range of old rates from five to 50 per cent.

Reliable sources said under the new tax regime a person with annual income of between Bt1-100,000 will pay 5 per cent income tax; Bt100,001-500,000, 10 per cent; Bt500,001-Bt1 million, 20 per cent; Bt1,000,001-Bt4 million, 30 per cent; and Bt4,000,001 or higher, 37 per cent. Currently, annual income of more than Bt2 million is subject to a 50 per cent tax.

The tax cuts are expected to cost the government Bt16 billion annually, but Transport and Communications Minister Nukun Prachuapmoh says more taxpayers, both individuals and firms, are likely to enter the tax system.

The package should lead to a wider tax base and more revenue in the long run. In terms of the tax burden, people with an annual income of more than Bt4 million, assuming that they have been paying tax correctly, will gain more substantially.

Under the new tax package, the allowance for personal expenditure is raised from Bt20,000 to Bt30,000, while a child's allowance is increased from Bt10,000 to Bt15,000 per annum.

Those earning less than Bt100,000 annually will see their tax burden reduced by 50-90 per cent.

Those earning between Bt100,001 to Bt200,000 will pay 40 per cent less tax while those earning between Bt200,001 to Bt1 million will pay 30-40 per cent less tax.

Vietnam

Le Quang Dao Speech Closes National Assembly

BK2712091191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Dec 91

[Report on 26 December closing of the Eighth National Assembly's 10th session—Le Quang Dao speech recorded]

[Text] Dear friends: After two weeks of intensive work with a high sense of responsibility toward voters nationwide, today, the the Eighth National Assembly, as part of its 10th session, held a closing session at the Ba Dinh Conference Hall in Hanoi.

In its morning sitting, the National Assembly heard Comrade Ha Quang Du, on behalf of the session's Secretariat, read the full text of the Law on Vietnam's Civil Aviation. After hearing various deputies give their opinions on certain points to be supplemented and clarified in this law, the National Assembly unanimously voted to pass the Law on Vietnam's Civil Aviation.

In its afternoon sitting, the National Assembly heard Comrade Duong Xuan An, on behalf of the session's secretariat, read the full text of the Law on Import-Export Taxes. The deputies gave their supplementary opinions and further clarified certain points of this law. The National Assembly unanimously voted to pass the Law on Import-Export Taxes. After that, on behalf of the session's secretariat, Comrade Tran Thi Tam Dan, Duong Xuan An, and Vu Mao took turns reading the full text of various resolutions of the National Assembly as follows:

—a resolution on the socioeconomic development tasks for 1992 and the 1991-95 five year period.

—a resolution on the 1992 state budget estimate.

—a resolution ratifying the final balance of the 1990 state budget.

—a resolution ratifying the Council of State's decision on amendments of and supplements to a number of tariffs in the business and special consumption tax-tables.

—a resolution on the redivision of the administrative boundaries of the provinces of Thuan Hai, Hau Giang, Cuu Long, and Ha Nam Ninh.

—a resolution extending the term of office of the Eighth National Assembly for three months.

The National Assembly passed all these resolutions, one after another, with a high degree of unanimity.

At 1710 [1000 GMT], National Assembly Chairman Le Quang Dao delivered a closing speech at the 10th session of the Eighth National Assembly. The following is the text of his speech:

[Begin Le Quang Dao recording] Dear Comrade Do Muoi, general secretary of the Party Central Committee; Comrade Vo Chi Cong, advisor of the Party Central Committee and chairman of the Council of State; Comrade Vo Van Kiet, member of the party Central Committee's Political Bureau and chairman of the Council of Ministers; and Dear National Assembly deputies:

After over two weeks of intensive work with an animated democratic spirit, the National Assembly examined and decided on various important issues. Today, we concluded the agenda of the 10th session of the Eighth National Assembly.

At this session, the National Assembly passed a Law on Vietnam's Civil Aviation, and a revised Law on Export-Import Taxes.

The National Assembly spent a great deal of time discussing a report of the Council of Ministers on the socioeconomic development tasks for 1992 and the 1991-95 five-year period. It also discussed the situation regarding the implementation of the 1991 state budget, and the 1992 state budget estimate, ratified the final balance of the 1990 state budget, and discussed various supplementary reports on the situation regarding law enforcement and the fight against corruption and smuggling.

The National Assembly unanimously agreed with the Council of Ministers' report on the above matters.

In 1991, despite countless acute difficulties, the economy continued to undergo some positive changes. We were still able to maintain political stability and to keep the politico-economic situation away from major upheavals. A number of important production sectors continued to be maintained and developed. These are the extremely significant results reflective of the extraordinary efforts of the people, of various production and business establishments, and of various echelons and sectors.

The National Assembly takes note of improvements made by the Council of Ministers in its guidance for work implementation.

On behalf of the National Assembly, I would like to warmly praise compatriots and combatants nationwide for having developed their traditions of solidarity, self-sufficiency, and self-support, and for having striven to overcome all difficulties and obstacles in actively implementing various party and state policies and lines, and various National Assembly resolutions. [applause]

Entering the second year [of the 1991-95 five-year plan], there are still countless difficulties and ordeals in addition to new advantages. The economy has not been free from crisis. The socioeconomic situation continues to develop in a complex fashion and is even grave in certain aspects. The state's operational management is still fraught with shortcomings and loopholes. Significantly, financial, monetary, and credit norms have still not been attained. The state of disorder and indiscipline—namely the flouting of state regulations on socioeconomic management—has now developed to a serious extent. The bad practice of corruption, smuggling, and wasteful spending that has inflicted great losses on state property has caused great disappointment among the people. The lives of a majority of workers, civil servants, military men, retirees, beneficiaries of various welfare policies, and a segment of the people, especially those in areas stricken by natural calamities and floods and those multiethnic people in the mountain regions, still encounter serious difficulties.

The National Assembly urged the Council of Ministers to take steps to overcome the abovementioned weaknesses when it embarks on implementing socioeconomic tasks for 1992 and in ensuing years.

In 1992, efforts should be made to exploit all the potentialities and advantages, striving to attain further improvements in containing and dispelling inflation, in stabilizing and developing production, and in resolving certain urgent welfare issues, first of all by renovating the wage system and resolving employment issues. It is necessary to intensify state management work, renovate the administrative apparatus and cadres management system at all levels, strengthen and perfect various law enforcement organs, continue to fight corruption, smuggling, counterfeiting, and other negative phenomena, as well as practice thrift and oppose waste. That we should strive to establish order and discipline in state administration and socioeconomic management, maintain political stability, and guarantee public order and safety, is now a decisive matter.

The National Assembly examined and decided to redemarcate the administrative boundaries of a number of provinces and assigned the Council of Ministers to provide guidance for the implementation of this decision in accordance with a spirit of frugality—refraining from increasing personnel staffing, preventing losses of state property, promptly stabilizing the organization, and developing production in various localities.

The National Assembly ratified a Council of State's decision on the revision of a number of tax rates in the tax tables of the laws on business and special consumption.

The National Assembly deputies also gave their opinions on a revised draft law on National Assembly election and assigned the law-drafting committee to continue to perfect this draft law prior to presenting it to the National Assembly for consideration in its forthcoming session.

The National Assembly heard the Council of Ministers report on the implementation of a law on home and land tax and found that the promulgation of this law is necessary. But a number of stipulations in the law are still not logical enough, especially since there are still some drawbacks in the Council of Ministers' guidance for work implementation. Therefore, the National Assembly returned the law to the Council of State and the Council of Ministers for studying those suggestions by the National Assembly, in order to rectify and amend the law and all other relevant guidance for implementation, and to satisfactorily decide on the enforcement of this law at an appropriate time.

The National Assembly decided to extend the term of office of the Eighth National Assembly for three more months.

Also at this session, the Eighth National Assembly discussed the reports reviewing the activities of the National Assembly, the Council of State, the Council of Ministers, the People's Supreme Court, and the People's Supreme Organ of Control.

The National Assembly agreed with the abovementioned reports and stressed: During their eighth term of office, the National Assembly, the Council of State, the Nationalities Council, National Assembly standing committees, National Assembly delegations, and the deputies have made much progress and have achieved more effective results. Their activities have been carried out in a more democratic atmosphere and have drawn much attention and praise from the people. These initial achievements are of great significance.

The Council of Ministers, the People's Supreme Court, and the People's Supreme Organ of Control have also made great efforts to discharge their functions and duties, as well as to implement the National Assembly's resolutions.

However, the activities of the National Assembly, the Council of State, the Council of Ministers, the People's Supreme Court, and the People's Supreme Organ of Control are still fraught with many shortcomings and drawbacks.

We are convinced that under the party's leadership and by implementing the constitutional amendments and developing the strong points and overcoming the shortcomings displayed by the Eighth National Assembly, the upcoming Ninth National Assembly will continue to renovate its workstyle and operational procedures to further improve its work efficiency, thus proving itself worthy of the expectations of the entire people.

The National Assembly was briefed by the Council of Ministers on the results of our state on the diplomatic front during the last six months of 1991 and the diplomatic orientations for the days to come. The National Assembly noted that the fast-breaking, profound, and very complicated developments in 1991 have a far-reaching impact on many countries, including our nation.

By acting in line with a foreign policy based on national independence, sovereignty, solidarity, and cooperation; by adopting diversified forms of international cooperation devised by the Sixth and Seventh Party Congresses; and by implementing the resolutions of the Eighth and Ninth National Assembly, we have positively developed our diplomatic activities on many fronts and have recorded important achievements, creating more favorable conditions for further accelerating the renovation undertaking to benefit national construction and national defense. The National Assembly praised our state for its achievements on the diplomatic front.

We will continue to face many difficulties and challenges in 1992. The international situation will continue to develop in a complex way. In light of that situation, we need to take the best advantage of new opportunities, and at the same time, positively prepare to deal with adverse circumstances which may occur.

Building on past achievements, we are striving to broaden friendships and cooperative relations with all countries—firstly with neighboring and Asia-Pacific countries—on the basis of respecting the independence, sovereignty, equality, and mutual benefits of creating favorable political and economic international conditions.

We will practically implement state plans in 1992 and following years, in order to contribute to the socioeconomic stabilization and development of the nation, as well as the struggle for peace, independence, democracy, and progress in the world.

Dear National Assembly deputies,

In order to serve this session, the deputies and the Nationalities Committee and other standing committees of the National Assembly reviewed their activities. Together with the Council of Ministers, the responsible organs had put much effort into preparing the draft bills, reports, and presentations for the examination and decision-making of the National Assembly.

The National Assembly deputies worked actively, contributed many ideas, and opportunely reflected on issues of public concern, thus positively contributing to the fine results of the session.

The National Assembly welcomed and praised the mass media agencies for their timely reportage on National Assembly activities for the public, meeting the public's demand.

The National Assembly hails the service departments for their positive and delicate work leading to the common success of the session.

After this session, our deputies will heighten their sense of responsibility, perform National Assembly supervisory responsibilities over the state organs to their best ability, in order to strictly observe the laws, and maintain regulations and discipline in administration management and socioeconomic management in the development of democracy and in guaranteeing citizens' rights.

The people's committee, local governments, and all levels of the Vietnam Fatherland Front, mass organizations, and social organizations are to motivate the people and combatants in the country to develop their traditional love for patriotism and socialism and the right of mastery over the country to contribute their intellect for the construction of the amended Constitution and for the application of National Assembly laws and resolutions.

The National Assembly calls on the people and combatants in the country to unite in their thinking and force and develop the tradition of unity, self-reliance, and a positive, creative spirit in order to overcome difficulties, successfully implement the 1992 socioeconomic targets and duties, maintain and stabilize the situation in all fields, and create conditions for further development in the following years.

On the new year of 1992, I heartily wish the National Assembly deputies, the people and combatants in the country, and our people living overseas another year of new progress and achievements.

I declare the conclusion of the 10th session of the Eighth National Assembly. [end recording]

Travel Restrictions Lifted on Employees in U.S.

BK2612081091 Hanoi VNA in English 0601 GMT 26 Dec 91

[Text] Hanoi VNA Dec. 26—The US delegation to the United Nations on December 23 informed the Vietnamese delegation to the UN of the US Government's decision to lift restrictions of travelling on US territory formerly applied to Vietnamese Government employees and their families. This decision took effect on Dec. 23.

No permit is now necessary for members of the Vietnam delegation to the UN to go beyond the limit of 25 miles from New York's centre as required in the past.

However, the US State Department still requires that Vietnamese mission members inform it of their travel at least two days in advance. This rule applies to only a nember of diplomatic missions in the United States.

Bilateral Relations Viewed

BK2612144091 Hanoi Voice of Vietnam in English 1000 GMT 26 Dec 91

[Radio commentary]

[Text] The United States has relaxed the travel restrictions for Vietnamese Government officials in the United States. Our radio contributes this comment:

The above-mentioned decision was informed to the Vietnamese permanent mission at the UN by the U.S. delegation on Monday [23 December]. Under this decision, as from now, all Vietnamese Government officials and their dependents will be able to travel without any limitations in the United States. However, the Vietnamese officials have to notify the U.S. State Department of their travels at least two days in advance. Besides this decision, last week, the U.S. Government also lifted a ban on U.S. organized travels to Vietnam. This decision came into force as from December 17th of this year.

These decisions of the U.S. Government are new developments in U.S.-Vietnamese relations. They are part of pressures aimed at normalizing bilateral relations conforming to the aspirations of the peoples of both countries and in the interests of each country.

Stemming from its open-door foreign policy and wish to be friends with all countries, Vietnam has always shown its goodwill toward the United States. Vietnam advocates the normalization of bilateral ties without preconditions. That is why it has done all it can to resolve the MIA and other humanitarian issues.

By now, Vietnam has returned to the U.S. side 500 sets of remains of U.S. servicemen. From November 17th to December 15th, Vietnamese and U.S. expert teams conducted the 50th joint search and 25 excavations of U.S. servicemen reported missing in the Vietnam war. Earlier, from November 2d to 6th, in Hanoi, the joint forensic team identified 47 sets of remains collected in joint searches or in unilateral searches recently. During that period, the joint team conducted investigations in six localities in Lang Son, Ha Tay, and Hanoi where U.S. servicemen were allegedly still alive. But results show that such information is false. Besides, they also studied war files. The U.S. experts highly valued the cooperation of their Vietnamese counterparts as well as the effective assistance of local administrations and people where they came to work.

However, there remain restrictions in the U.S.-Vietnamese relations. The U.S. has not yet fully lifted its embargo against Vietnam as demanded by U.S. political and business circles as well as the American people. As they reason, the embargo has inflicted damage only to the Americans. U.S. allies have been doing business with Vietnam in defiance of U.S. sanctions. According to THE WALL STREET JOURNAL recently, 500 U.S. companies urged the U.S. Government to lift the embargo against Vietnam. The paper noted that the MIA issue has obstructed the Vietnamese-U.S. relations and the Bush administration has been capitalizing on the MIA issue in the context of a new presidential election year. U.S. Senator Frank Murkowski has been pressing the government for a full lifting of its embargo because, as he put it, it is too late to work for the settlement of the MIA issue. Meanwhile, his assistant said: It is reasonable to say at this time the U.S. embargo does not harm Vietnam or achieve what the United States wishes.

Former Soviet Republics' Independence Recognized

BK2712112791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Dec 91

[Text] Today, 27 December, our Ministry of Foreign Affairs issued the following statement:

Based on the principles of respect for the independence, sovereignty, noninterference in each other's internal affairs, equality, and mutual benefit, and proceeding from a desire to maintain the existing traditional friendship and cooperation, the Government of the Socialist Republic of Vietnam [SRV] hereby declares its recognition of and readiness to establish diplomatic relations with the Russian Federation, the Ukraine, the Republic of Belarus, the Republic of Uzbekistan, the Republic of Kazakhstan, the Republic of Georgia, the Republic of Azerbaijan, the Republic of Moldova, the Republic of Kyrgyzstan, the Republic of Tajikistan, the Republic of Armenia, and Turkmenistan.

The Government of the SRV believes that the existing relations of friendship and cooperation between Vietnam and the aforementioned countries will continue to be consolidated and developed.

Vo Van Kiet Hopes for Stability

BK2712103891 Hanoi Voice of Vietnam in English 1000 GMT 27 Dec 91

[Text] Vietnamese Prime Minister Vo Van Kiet stated that Vietnam is watching with keen interest developments in the former Soviet Union. During a meeting in Hanoi with Mr. Rashit Khamidulin, ambassador of the former Soviet Union, he has declared that Vietnam's consistent policy was that respect of the right to self-determination of all peoples. Whatever the situation, he said, Vietnam will do it's utmost to preserve and promote the existing ties of friendship and cooperation between it and the republics.

The Vietnamese Government leader voiced the hope that the situation in the former Soviet Union will soon be stabilized for the benefit of peace, cooperation, and development in the world.

In Hanoi, the former Soviet Embassy has become the Russian Embassy. This was informed by Ambassador Khamidulin to the press in Hanoi on 26 December. The ambassador also took this occasion to inform of the recent developments involving the end of the USSR and setting up the Commonwealth of Independent Republics.

Ambassador Khamiduline also stated that the Russian Federation will continue to respect the Paris agreement on Cambodia.

'Self-Determination' Respected

BK2612155991 Hanoi VNA in English 1442 GMT 26 Dec 91

[Text] Hanoi VNA Dec. 26—Vietnam's consistent policy is to respect the right to self-determination of the people of all nationalities in the former Soviet Union and in whatever circumstance Vietnam will strive to maintain and promote its friendship and cooperation with all republics.

So said Chairman Vo Van Kiet of the Vietnamese Council of Ministers while receiving today former Soviet ambassador to Vietnam P.L. Khamidulin [initials as received], who informed the chairman of the latest developments in the former Soviet Union.

The chairman expressed his belief that the situation in the former Soviet Union would soon stabilize in the interests of all republics, as well as of peace, stability, cooperation and development in the world.

Asian Development Bank To Resume Assistance

BK2712071091 Hanoi VNA in English 0623 GMT 27 Dec 91

[Text] Hanoi VNA Dec. 27—The Asian Development Bank (ADB) is to resume its assistance to Vietnam in 1992 after a 13-year freeze, ADB President Kiminasa Tarumizu was quoted by AFP as saying in an interview with a Japanese daily. The NIHON KEIZAI SHIMBUN quoted Tarumizu as saying in a dispatch from Manila that the ADB planned to send a mission to Hanoi in January to pave the way for provide technical assistance. "We will flesh out technical assistance after sending a mission to Vietnam, possibly in January," he said. Tarumizu said the bank, which suspended assistance to Vietnam in 1978, would resume full-fledged financial assistance after expanding the scale of technical aid. ADB's move to resume assistance has been blocked by strong opposition from the United States, which still maintains economic sanctions on Vietnam, the economic daily said.

Vo Van Kiet Congratulates Polish Premier

BK2612161191 Hanoi VNA in English 1444 GMT 26 Dec 91

[Text] Hanoi VNA Dec. 26—Chairman of the Council of Ministers Vo Van Kiet today sent a message of congratulations to Jan Olszewsg on his reelection as prime minister of Poland.

In his message, the Vietnamese leader wished that the friendship and cooperation between the two peoples and governments would be further consolidated and developed.

Australia

New Prime Minister Keating Reshuffles Cabinet

BK2712025091 Hong Kong AFP in English 0239 GMT 27 Dec 91

[Text] Canberra, Dec 27 (AFP)—Australian Prime Minister Paul Keating announced here Friday a major cabinet reshuffle, a week after ousting Bob Hawke for the top job in a Labor Party coup.

Keating named former Employment and Education Minister John Dawkins as treasurer, the fourth person to occupy the top economic policy-making portfolio in less than seven months.

Dawkins replaced Ralph Willis, who was named treasurer only three weeks ago by Hawke; Willis's predecessor, John Kerin, replaced Keating in June when he quit the cabinet following his first challenge to Hawke's leadership. Willis was returned to his old portfolio as finance minister and Kim Beazley moves from that ministry to employment, education and training.

A key Keating supporter and architect of the Cairns Group of agricultural exporting countries, Dawkins is regarded as an interventionist who would like to see a lower exchange rate to assist export sales.

Keating said in announcing his reshuffle: "The government's key task will be jobs and economic growth."

In other moves, Keating gave Graham Richardson the important Ministry of Transport and Communications, with Neal Blewett taking Richardson's old job of social security. Kerin was dropped from the cabinet to become overseas trade and development minister, replacing Blewett, who retains his status.

Two new members entered the cabinet. Alan Griffiths was given the new Department of Tourism along with his non-cabinet responsibility for resources under the primary industries and energy portfolio. Bob Collins's Shipping and Aviation Ministry was elevated to cabinet status "reflecting the importance of micro- economic reform," Keating said.

The new ministers were to be sworn in by Governor-General Bill Hayden at Government House here at 3:00 p.m. (0400 GMT).

The reshuffled cabinet for Australia's Keating Labor government:
Prime Minister: Paul Keating
Deputy Prime Minister and Minister for Health Housing and Community Services: Brian Howe
Industry, Technology and Commerce: John Button
Foreign Affairs and Trade: Gareth Evans
Treasurer: John Dawkins
Finance: Ralph Willis
Employment, Education and Training: Kim Beazley
Social Security: Neal Blewett
Transport and Communications: Graham Richardson
Shipping and Aviation Support: Bob Collins
Defence: Robert Ray
Immigration, Local Government and Ethnic Affairs: Gerry Hand
Arts, Sport, the Environment and Territories: Ros Kelly
Industrial Relations: Peter Cook
Administrative Services: Nick Bolkus
Primary Industries and Energy: Simon Crean
Tourism and Resources: Alan Griffiths Junior ministers (non-cabinet):
Aged, Family and Health Services: Peter Staples
Veterans' Affairs: Ben Humphreys
Science and Technology: Ross Free
Small Business, Construction and Customs: David Beddall
Trade and Overseas Development: John Kerin
Justice and Consumer Affairs: Michael Tate
Higher Education and Employment Services: Peter Baldwin
Aboriginal Affairs: Robert Tickner
Family Support and Local Government: David Simmons
Land Transport: Bob Brown
Defence Science and Personnel: Gordon Bilney
Arts and Territories: Wendy Fatin

Minister Says Timor Incident Report 'Encouraging'

BK2712014091 Hong Kong AFP in English 0129 GMT 27 Dec 91

[Text] Canberra, Dec 27 (AFP)—The draft report of an Indonesian special investigation into the massacre of East Timorese in Dili was encouraging, Australian Foreign Minister Gareth Evans said here Friday.

Evans said the report—by the National Investigation Commission (KPN)—"makes clear there was a manifest overreaction by the military forces."

He said in a radio interview that the Indonesian Government was expected to react to the report in a matter of days, and the Australian Government would wait for its response. The Indonesian investigation found that a group of soldiers had shot, without command, into a crowd in East Timor and killed around 50 people.

Indonesian authorities had originally said 19 people died and 91 others were injured after troops shot in self-defence into a crowd at the Santa Cruz cemetery in Dili on November 12. Witnesses had said the shooting was unprovoked and put the death toll at up to 115.

"Actions by a certain number of security members, over the level of acceptable norm, has led to the fall of victims, dead or wounded by shots, stabbing or hit by blunt instruments," the commission said in its preliminary report.

"The commission feels it has strong enough reasons to be of the opinion that the number of dead victims stands around 50 people and those injured at more than 91 people," the report said.

Evans said: "I think it would be very, very difficult indeed for the Indonesian Government to resist the force of the conclusions (in the report). Most people were expecting this report...to be a whitewash...to say no more than that they simply couldn't confirm any more than 19 people had died," he said.

Evans pointed out that while the report's finding of 50 deaths was a third less than estimated by an Australian investigation, it rebutted the death toll put out by the military. But the foreign minister said he had decided after his visit to Jakarta last week that "the figure was more likely to be in the range 50 to 75 than above that."

Although the report emphasised the provocation faced by the Indonesian forces in Dili on the day of the massacre, it was not overemphasised, Evans said.

"Although the language of self-defence is a little troubling in that respect, I think one has to say it's a pretty crisp and not unreasonable account of what we, from other sources, ourselves know or believe to have occurred," he said.

Papua New Guinea

Rebels Say Embargo Reimposed on Bougainville

BK2712091891 Melbourne Radio Australia in English 0800 GMT 27 Dec 91

[Text] The secessionist movement on Bougainville has claimed that the Papua New Guinea security forces have again reimposed a total blockade on the island. A joint statement from the secessionist leaders Francis Ona and Joseph Kabui said that security forces in Rabaul and Buka island have reimposed the blockade on 19 December.

The statement claimed that the security forces had reimposed the embargo because of a lack of proper consultation between the Port Moresby government and its security forces in Rabaul and Buka.